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No. 82-1150

IN THE
Supreme Court of the United States

OCTOBER TERM, 1983

HOWARD ELLIS, et al.,

Petitioners,

v.

BROTHERHOOD OF RAILWAY, AIRLINE AND STEAMSHIP CLERKS, et al.,

Respondents.

ALLEN L. FAILS, et al.,

Petitioners,

v.

BROTHERHOOD OF RAILWAY, AIRLINE AND STEAMSHIP CLERKS, et al.,

Respondents.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

JOINT APPENDIX — VOLUME II

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* * *

Accordingly we have included in our resolution amendments which allow for flexibility and new organizing situations are proportionately restricted, and also allow for flexibility within a subordinate unit providing that dues are maintained on a uniform basis for all employees covered by a single contract.

In addition to the proposed dues increase, your Committee likewise considered an increase in initiation and reinstatement fees; and while various resolutions were received covering increases from $50.00 to $150.00, your Committee, after full discussion and deliberation proposes a revision in the present initiation and reinstatement fee which your Committee feels is fair and equitable.

Your Committee on Grand Lodge Constitution and Laws proposes to amend Article 27, Section 1, Section 2, and Section 4, appearing on pages 70, 71, 73, 74, 75, and 76 of the Constitution of the Grand Lodge as follows—I will read the proposed changes—and the changes we are proposing are underlined; it is the right hand column; I will start out on page 13:

THAT ARTICLE 27, SECTION 1 BE AMENDED TO READ AS FOLLOWS:

Fees and Dues

Section 1. The initiation fee of the Brotherhood shall be thirty dollars ($30.00) and the reinstatement fee of the Brotherhood shall be forty-five dollars ($45.00). The initiation or reinstatement fee may be waived in whole or in part by the International President on applicants for membership who are in the service of an employer where the Brotherhood is conducting an organization campaign or endeavoring to establish or maintain right of representation for collective bargaining. The Grand Lodge shall receive fifteen dollars ($15.00) of each initiation fee and twenty-five dollars ($25.00) of each reinstatement fee, which shall be apportioned as follows:

	Int. Fee	Rein. Fee
General Fund Account (Grand Lodge)	$11.25	$21.25
Protective Fund Account (Grand Lodge)	1.50	1.50
Convention Fund Account (Grand Lodge)	.60	.60
Death Benefit Department Fund (Grand Lodge)	.90	.90
Official Publication Account (Grand Lodge)	.30	.30
Organization Fund Account (Grand Lodge)	.45	.45
Total to Grand Lodge	$15.00	$25.00

The Board of Adjustment shall receive eight dollars ($8.00) from each initiation fee and ten dollars ($10.00) from each reinstatement fee, the remainder to be retained by the Local Lodge.

PROPOSED CHANGES, on page 14:

THAT ARTICLE 27, SECTION 2 BE AMENDED TO READ AS FOLLOWS:

Section 2(a). Effective July 1, 1971, all full dues established by the 1967 Convention, or by other provisions of the Constitution and Laws of the Brotherhood applicable to all members under the jurisdiction of each Board of Adjustment and System Division, shall be increased four dollars and fifty cents ($4.50) per member per month, except that no full dues shall be less than ten dollars ($10.00) per member per month.

Effective July 1, 1973, all full dues established by the 1971 Convention or by other provisions of the Constitution and Laws of the Brotherhood applicable to all members under the jurisdiction of each Board of Adjustment and System Division, shall be increased two dollars ($2.00) per member per month, except that no full dues shall be less than twelve dollars ($12.00) per member per month.

There shall be two kinds of dues applicable to members of the Brotherhood. Effective July 1, 1971 full dues shall be not less than ten dollars ($10.00) per member per month of which a minimum of two dollars ($2.00) per member per month shall be retained for State Legislative tax and the use of the lodge. Effective July 1, 1973 full dues shall be not less

than twelve dollars ($12.00) per member per month, of which a minimum of two dollars and twenty-five cents ($2.25) per member per month shall be retained for State Legislative tax and the use of the lodge; retention of membership dues, which shall be one dollar and fifty cents ($1.50) per member per month of which forty cents (40¢) shall be retained for the use of the lodge. Full dues shall apply to each member who receives pay for forty (40) hours or more in any calendar month on a position in industry over which the Brotherhood claims jurisdiction, or the equivalent compensation under any agreement between an employer and the Brotherhood; to a member promoted to excepted or official positions and a member taking a voluntary leave of absence requiring approval of the organization.

Each Board of Adjustment and System Division is authorized to fix uniform dues (above the minimum of ten dollars ($10.00) per member per month) effective July 1, 1971 and twelve dollars ($12.00) per member per month effective July 1, 1973 to apply to all members subject to the scope rule of each individual contract under the jurisdiction of the Board of Adjustment or System Division, provided such dues shall be sufficient to meet Grand Lodge per capita tax and State Legislative Committee per capita tax, subject to the approval of the International President.

Retention of membership dues shall apply to a member who performs no service in a calendar month due to reduction in force, furlough, military service, sickness, disability, resignation, and a member who receives pay for less than forty (40) hours in any calendar month on a position in industry over which the Brotherhood claims jurisdiction; and a member working in another craft in the industry where he is required to join another union under a Union Snop Agreement.

Members who have retired because of age and who perform no compensated service on a position in industry over which the Brotherhood claims jurisdiction will be classified as associate member, with full rights to participate in the Death Benefit Department, if qualified, receipt of the RAILWAY CLERK, with right to attend lodge meetings of the Brotherhood, except they shall have no vote in the election of officers, or on matters pertaining to wages, rules, working conditions or grievances, and they may retain such membership by the voluntary payment of one dollar and fifty cents ($1.50) per month.

We did not change Section (b) or (c).

We added Section (d), and it reads as follows:

(d) In the event of extraordinary circumstances, involving ongoing organizational efforts, new representation, specific national problems, restrictive labor laws, or other unusual circumstances, any subordinate unit may petition the International President for permission to lower the minimum Board of Adjustment, System Division or Local Lodge per capita tax specified herein and elsewhere. The International President may grant such waiver subject to annual review by him, provided that, in his judgment, the needs of the Brotherhood can be adequately met and the circumstances warrant such action.

(e) In the event of extraordinary circumstances involving new organizational efforts, newly acquired representation rights, initial contracts, and situations wherein existing rates or pay or working conditions are determined to be below the over-all pattern of our Brotherhood, any subordinate unit or units involved may petition the International President for, or the International President may initiate on his motion, a partial reduction of the Grand Lodge per capita tax for the members covered by the respective contract or organizing situation, subject to the approval of the Finance Committee. Reductions so granted shall not extend beyond the term of the initial contract unless resubmitted and approved by the Finance Committee.

PROPOSED CHANGES

THAT ARTICLE 27, SECTION 4(A) BE AMENDED TO READ AS FOLLOWS:

Per Capita Tax

Section 4.(a) Effective July 1, 1971
Grand Lodge per capita tax shall be four dollars ($4.00) per month or twelve dollars ($12.00) per quarter on full dues paying members, except that no per capita tax is payable on new or reinstated members for the quarter in which they apply for membership; one dollar and ten cents ($1.10) per month or three dollars and thirty cents ($3.30) per quarter on reduced dues paying members and shall be apportioned quarterly by the International Secretary-Treasurer to the different funds and fund accounts as follows:

Per Capita Tax on Full Dues Paying Members

General Fund Account (Grand Lodge)	$ 7.50
Protective Fund Account (Grand Lodge)	.75
Convention Fund Account (Grand Lodge)	.60
Death Benefit Fund (Grand Lodge)	1.20
Official Publication Fund Account (Grand Lodge)	.60
Organization Fund Account (Grand Lodge)	1.25
*Legislative Fund Account (Grand Lodge)	.10
Total	$12.00

Effective July 1, 1973 Grand Lodge per capita tax shall be five dollars ($5.00) per month or fifteen dollars ($15.00) per quarter on full dues paying members, except that no per capita tax is payable on new or reinstated members for the quarter in which they apply for membership; one dollar and ten cents ($1.10) per month or three dollars and thirty cents ($3.30) per quarter on reduced dues paying members and shall be apportioned quarterly by the International Secretary-Treasurer to the different funds and fund accounts as follows:

Per Capita Tax on Full Dues Paying Members

General Fund Account (Grand Lodge)	$10.50
Protective Fund Account (Grand Lodge)	.75
Convention Fund Account (Grand Lodge)	.60
Death Benefit Fund (Grand Lodge)	1.20
Official Publication Fund Account (Grand Lodge)	.60
Organization Fund Account (Grand Lodge)	1.25
*Legislative Fund Account (Grand Lodge)	.10
Total	$15.00

*Any member who does not desire to contribute to the Legislative Fund Account may have his dues reduced three and one-third cents (3⅓¢) Secretary in writing and paying his dues direct to the Lodge Secretary. Reduction in dues becomes effective with the month following the month in which the member notifies the Lodge Secretary in writing and cannot be retroactive. The Lodge Secretary will acknowledge receipt of notice.

Retention of Membership Per Capita Tax

General Fund Account (Grand Lodge)	$ .80
Convention Fund Account (Grand Lodge)	.60
Death Benefit Fund (Grand Lodge)	1.20
Official Publication Fund Account (Grand Lodge)	.60
*Legislative Fund Account (Grand Lodge)	.10
Total	$3.30

*Any member who does not desire to contribute to the Leisiative Fund Account may have his dues reduced three and one-third cents (3⅓¢) per month by notifying the Lodge Secretary. Reduction in dues becomes effective with the month following the month in which the member notifies the Lodge Secretary in writing and cannot be retroactive. The Lodge Secretary will acknowledge receipt of notice.

Associate Membership Per Capita Tax

General Fund Account (Grand Lodge)	$ .75
Convention Fund Account (Grand Lodge)	.00
Death Benefit Fund (Grand Lodge)	1.20
Official Publication Fund Account (Grand Lodge)	.60
Railway Clerks Political League	.75
Total	$3.30

Any Associate member who does not desire to make a voluntary contribution to Railway Clerks Political League may have his dues reduced 25¢ per month by notifying the Lodge Secretary in writing and making his payment direct to the Lodge Secretary. Reduction in dues will become effective with the month following the month in which the Associate member notifies the Lodge Secretary in writing and cannot be retroactive. The Lodge Secretary will acknowledge receipt of the notice.

NOTE: An associate member is a member who has retired because of age and who performs no compensated service on a position in industry over which the Brotherhood claims jurisdiction, and per capita tax received on him is only allocated to those funds in which he has an investor from which he receives service. The purpose of the voluntary contribution to Railway Clerks Political League is to advance and protect his interest through political activity in the legislative field and in particular

to work for improvement of retirement systems established and maintained under law.

(b) Grand Lodge per capita tax is payable quarterly in the month following the close of each calendar quarter. Tax for the first quarter of each calendar year is payable in April; second quarter tax in July; third quarter tax in October, and fourth quarter tax in January. Failure of a lodge to pay Grand Lodge tax within time specified above subjects it to suspension. Members in good standing of such supended [*sic*] lodge may transfer to another lodge.

(c) Per capita tax advanced on members who are not subject to suspension. Members in good standing of such suspended lodge may transfer to another lodge.

(c) Per capita tax advanced on members who are not subject to suspension under the provisions of Article 6, Section 1, of the Lodge Statutes at the time quarterly per capita tax report is made to the International Secretary-Treasurer, shall upon proper certification be credited to the lodge by the International Secretary-Treasurer for any month of the current quarter and the last month of the previous quarter for which dues were not paid.

Board of Adjustment Per Capita Tax

(d) Effective July 1, 1971 Board of Adjustment and System Division per capita tax shall be not less than four dollars ($4.00) per member per month. Effective July 1, 1973 Board of Adjustment and System Division per capita tax shall be not less than four dollars and seventy-five cents ($4.75) per member per month.

Mr. Chairman, I move adoption of the Committee's report.

DELEGATE FITZJARRELL: I second the motion.

INTERNATIONAL PRESIDENT DENNIS: You have heard the report of the Committee. The report is to adopt.

Mike 2.

DELEGATE T. B. GOODWIN (TC Division 43): I wish to amend the motion as follows: That the present Grand Division proportion of the per capita tax not be changed for the Canadian membership at this time.

DELEGATE R. E. RITTER (TC Division 43): I second the motion.

INTERNATIONAL PRESIDENT DENNIS: You have heard the amendment. Is there any further discussion on the question? There are quite a few Delegates there at Mike 3 and Mike 1. I think we had better — what does Mike 3 want to discuss?

DELEGATE HARVERY PATTERSON (Lodge 2307): Mr. Chairman, I was going to discuss the Committee's report. The amendment might throw a bit of a hitch into it. I can understand Brother Goodwin's situation, and if I may go a bit broader, I hope you won't be too tough with us on the mike, and maybe you will get all the debate here at one particular time.

I have no serious objection to Article 27, Section 1. You know, at least I haven't got anything to comment on one way or the other. But Article 27, Section 2 I must state an objection to that particular proposed amendment to the Constitution. And I just want to explain my position.

I am just a little Local Chairman who tried to do a job on the local. . . .

• • • •

INTERNATIONAL PRESIDENT DENNIS: I think several delegates have expressed that point of view, Brother Gallagher. Mike 1.

DELEGATE PIKE (Lodge 310): Brothers and Sisters. I think we have gotten a debate out of perspective as to what is involved here.

I appeared before this Laws Committee in connection with some of these proposals and got some assurances as to how it might work. I might say to you that on our Board we have fourteen NLRB agreements under our jurisdiction, and we have nine rail agreements.

Now, if I understand what we are here talking about, we are talking about an increase in dues up to a minimum of ten dollars per month with the right of the System Board to come back and ask for a reduction below ten dollars a month or above ten dollars a month.

At the present time the dues on our Board are $6.50 a month. If we accept this $4.50 as is, they would be $11 a month. That is the initial amount.

If we accept it as is, they would be $13 a month in 1973.

Now, why are we having to raise dues? That is the first thing that I must ask. It is because our Local, System and International Units of this great Brotherhood went out, particularly the International Unit, and negoitated an agreement that put $3,600 a year in the United States into the rail employee's pockets in this country by April 1, 1973.

Now, I am not particularly concerned as to the division, with the exception that I know this Brotherhood, because it went out and called strikes and fought for the members of this Brotherhood and spent in excess of what this last Convention provided in funds to service the membership. I am not going to belabor the question too long. I would suggest to you that your System Boards have the authority to ask for a reduction in dues below the minimum. They have the authority to ask for a reduction in dues where you have a unit, a unit of members, that is below standard in wages, and let the System Boards adjust those problems and ask the International President for that authority, and I assure you he will grant it if you are solvent.

If you need to reduce your dues below the ten dollar minimum, you can get the authority if you have too much money. If you need to increase them above the ten dollar minimum, you can get the authority if you do not have enough money. Let's give this International enough money to replenish what has been depleted from this treasury as a result of this team of International Officers which has been in office the last eight years having gone out and making more progress in terms of wages and improvements in our working conditions. Let's replenish the larder.

What do you do when you take your paychecks home? You go and buy the groceries —

. . . Cries of "time time" . . .

DELEGATE PIKE: All right. Let me say just one more thing. This International leader that we have in Brother C. L. Dennis has accomplished more for this membership in the last eight years than has been accomplished in the previous thirty. Let's give him some money to get us some more and to get some more for the members we represent. (Applause)

INTERNATIONAL PRESIDENT DENNIS: Mike 3. We will have one more speaker from Mike 3, and then we are going to recess and I will make a statement after I hear from the speaker at Mike 3.

DELEGATE OSCAR DESDERIAN (Lodge 106): Mr. Chairman and Fellow Delegates, this will be very short. I make a motion to submit this back to committee for further study. (Applause)

DELEGATE L. R. DRAGONETTI (Lodge 653): I second the motion.

INTERNATIONAL PRESIDENT DENNIS: You have heard the motion to resubmit the matter back to the Laws Committee for further study and report back here later this evening. Those in favor? Please raise your right hand. Down hands. Those opposed? The motion is carried.

Just one minute. This is about a matter of money, too.

INTERNATIONAL SECRETARY-TREASURER SULLIVAN: Instead of six p.m., the pay window is open right now, on the lower level. They are paying off right now.

. . . The Convention recessed at five thirty-five o'clock . . .

* * * *

What is your pleasure?

. . . The question was called . . .

Those in favor raise your right hand; down hands; those opposed; the report is adopted.

The Laws Committee is ready to continue with their report, and we will now hear from the Laws Committee. Brother Geral Toppen and Brother Arch Fitzjarrell will report.

DELEGATE TOPPEN: We ask that you turn to page 13 of the Committee's report.

I would like to make these comments before setting out the final deliberation, or the deliberations of the Laws Committee after this afternoon's session was recessed.

Your Committee considered approximately 10 proposals that were presented in writing. These written documents did not object to an increase in dues; however, there was an indication that the delegates did not desire to increase the dues quite as much as originally proposed by the Committee.

The basic thrust of the written documents was to the distribution of the dues increase.

It was further apparent that the objections were raised to the Committee's report with respect to the step rate increase of dues.

It was your Committee's understanding at the conclusion of the afternoon session that we were to take all of the written documents submitted by the delegates at this Convention and analyze same without regard to whether or not this Convention's rules were complied with in submitting amendments to a committee report; this we did. No suggestion was discarded on parliamentary procedure handling; all were considered.

Your Committee attempted to arrive at a consensus of opinion of the delegates through a review of the suggestions made. Frankly, it is our desire to hit a happy medium. It would be impossible, however, to satisfy everyone in this respect, and we hope that the delegates put aside their

individual problems so as to permit this Convention to find a harmonious solution to a very difficult and vexing problem.

With respect to your Committee's report, appearing on page 13, your Committee proposes to change its recommendations on initiation and reinstatement fees by changing the allocation of funds to give the Grand Lodge $10.00; the System Board $10.00; and the Local $10.00, out of each initiation fee. That is right down the line, 10, 10, and 10.

The Committee proposes to change its report to give the Grand Lodge $20.00; the System Board $10.00; and the Local Lodge $15.00 out of each reinstatement fee.

Page 13 of the Committee's report would be corrected accordingly. You will notice there where it says, "The Grand Lodge shall receive fifteen" — change that to "ten"; and where it says "of each initiation fee and twenty-five dollars", you would change that to read "twenty".

With respect to the Grand Lodge, they would be getting five dollars less, so that initiation fee — General Fund Account for the Grand Lodge would be changed from $11.25 to $6.25; and reinstatement fee to Grand Lodge, General Fund, instead of being $21.25 would read $16.25.

And then, at the bottom there, the Board of Adjustmen [*sic*] shall receive $10.00 from each initiation or reinstatement fee, the remainder to be retained by the Local Lodge. So you can make that $8.00 read $10.00, and then from each initiation and reinstatement fee the remainder to be retained by the Local Lodge. Do you have those corrections?

Also, a paragraph would be added to provide that any subordinate unit that desires to establish an initiation fee or reinstatement fee above the $30.00 and $45.00 amount recommended by the Committee shall be permitted to do so if a majority of the members of said unit and the International President approve same.

On page 14, I will read the sections. Section 2(a). This is what your Committee proposes. "Effective July 1, 1971, all full dues established by the 1967 Convention or by other provisions of the Constitution and Laws of the Brotherhood applicable to all members under the jurisdiction of each Board of Adjustment and System Division, shall be increased $5.50 per member per month, except that no full dues shall be less than $11.00 per member per month."

Now, we would take out the second paragraph completely. It would be just a one step deal. That "Effective July 1, 1973" can be scratched, that whole paragraph there that is underlined.

Then it would read, the next paragraph: "There shall be two kinds of dues applicable to members of the Brotherhood. Effective July 1, 1971 full dues shall be not less than $11.00 per member per month, of which a minimum of $2.00 per member per month shall be retained for State Legislative tax and the use of the lodge."

Then you could scratch out "Effective July 1, 1973" because there would be no dues increase July 1, '73. So start scratching out "Effective July 1, 1973." The next full line; the third full line; the fourth full line; the fifth full line; where "the lodge" is on the sixth line, before the semicolon. The rest there, there would be no change. That is the retention of membership provision.

On page 15, that $10.00 would be changed to $11.00. That would be a minimum of $11.00 per member per month effective July 1, 1971; the balance of that line and up to July 1, 1971, line 3 to be scratched. That would be the change on page 15.

On page 16: "That Article 27, Section 4(a) be amended to read as follows:

"Effective July 1, 1971 Grand Lodge per capita tax shall be $4.20 per member per month or $12.60 per quarter." So that $4.00 would be $4.20, and the $12.00 would be $12.60.

And in connection with that, the per capita tax on full dues paying members, the General Fund Account of the Grand Lodge would be changed from $7.50 to $8.10. And the total at the bottom would be changed from $12.00 to $12.60.

Page 17. Those first two paragraphs on page 17, starting with "Effective July 1, 1973," all the way down to where the asterisk appears, would be scratched out because there would be no second dues increase.

Then you can turn to page 19, if you will please. That would read, "Effective July 1, 1971 Board of Adjustment and System Division per capita tax shall be not less than $4.20 per member per month." The rest of that paragraph would be scratched out.

Now, basically, in the allocations and in this increase, it would give each unit of the Brotherhood the same proportionate amount.

Mr. Chairman, I move adoption of the Committee's report as amended.

DELEGATE FITZJARRELL: I second the motion.

INTERNATIONAL PRESIDENT DENNIS: As I understand it, the $2.10 out of the present minimum dues of $5.50 to the Grand Lodge would become $4.20. The $2.10 to the System Board would become $4.20. And the $1.30 to the Local Lodge would become $2.60, or a 100 percent increase across the board, making a total of $11.00, and it would be a one step proposition.

Mike 2.

DELEGATE WILLIAM H. McCARTHY (Lodge 1298): I think this is in order. I move that we divide the question, and debate and vote on each section of the amended Article 27 separately.

DELEGATE DAVID C. TRAYNOR (Lodge 361): I second the motion.

INTERNATIONAL PRESIDENT DENNIS: Well, I think that the initiation fee and the reinstatement is divisible. I mean that is separate and apart, but when we get into the dues, I do not think we can divide that section by section. It has to be a total package.

We can handle the initiation and the reinstatement fee separately, and take a vote on that question. That was ten, ten and ten on the initiation, and twenty, ten and fifteen for the local lodge on the reinstatement.

Now, is it the desire of the Covention [*sic*] to divide the question and handle the initiation and reinstatement fee separately from the dues question? Is that the desire?

. . . Cries of "No" . . .

INTERNATIONAL PRESIDENT DENNIS: Those in favor of dividing the total question, handle the initiation and the reinstatement

fee separately, those in favor of doing that please raise your right hands. Down hands. Those opposed.

Well, I think the question will be divided. We will take a vote on the initiation fee and reinstatement fee part of the committee's report which pertains to the initiation fee and reinstatement fee—I am trying to explain this first, and then I will give you the mike.

The initiation fee would be divided $10 to the Grand Lodge, $10 to the System Board, and $10 to the Local Lodge. A reinstatement fee would be $20 to the Grand Lodge, $10 to the System Board, and $15 to the Local Lodge.

That is the question. Mike 2.

DELEGATE ROBERT J. CRANCH (Lodge 8007): President Dennis, in respect to—a point of information—in respect to the $30 initiation fee that is facing us now, we do not have a closed shop in Canada. We have a check-off of Union dues.

The question that I am asking is this: Would it be possible for the System Division to collect the monthly dues until such time as the monthly dues accumulated becomes the initiation fee and then it would be simply to sign the member up as a member, or would it have to be a cash payment of $30?

INTERNATIONAL PRESIDENT DENNIS: Brother Cranch, I think I can alleviate the problem. We recognize that there is a difference, that you have a different kind of an arrangement in Canada. And there would be no requirement—there is no requirement now for an initiation fee, right?

DELEGATE CRANCH: Right.

INTERNATIONAL PRESIDENT DENNIS: That policy would continue.

DELEGATE CRANCH: I am sorry.

INTERNATIONAL PRESIDENT DENNIS: It is all right.

DELEGATE CRANCH: Right now the member must pay an initiation fee of $10. The question that I am asking is, is the accumulation of

the union check-off, as an example, if the dues were $10.00 a month times three, he could not join until he had three months dues deductions. He could not join until the fourth month.

INTERNATIONAL PRESIDENT DENNIS: Well, let me find out what the practice in Canada is at the present time.

INTERNATIONAL VICE PRESIDENT McGREGOR: Brother Cranch, as I understand it, you are talking about Canadian Pacific Airlines?

DELEGATE CRANCH: Principally, Bill, yes.

INTERNATIONAL VICE PRESIDENT McGREGOR: Where you presently do pay an initiation fee?

DELEGATE CRANCH: They pay it out of their pocket.

INTERNATIONAL VICE PRESIDENT McGREGOR: They pay it out of their pocket? Well, that is not what Brother Dennis was talking about, International President Dennis. That is different from what we have on the rail, where your monthly dues, as collected by the modified Rand formula until you have paid sufficient to pay your initiation fee is considered to be your initiation fee.

DELEGATE CRANCH: There is a correction, Bill, on CN Rail they too pay $10 out of their pocket in order to become a member.

. . . Cries of "No" . . .

INTERNATIONAL PRESIDENT DENNIS: Well, let me put it this way. If the Canadian lodges and Canadian membership have any problem on this initiation fee, I am sure that Brother McGregor can work it out with the General Chairman along with Brother Dick Smith and there will be no problems.

DELEGATE CRANCH: Fine, I have my answer from a GS and T of the BRAC organization. I am satisfied now.

INTERNATIONAL PRESIDENT DENNIS: Okay. Mike 3.

DELEGATE HERSHELL L. OLIVER (Lodge 1913): I move that we adopt the Committee's report.

DELEGATE OSCAR DERDERIAN, SR. (Lodge 106): I second the motion.

INTERNATIONAL PRESIDENT DENNIS: Now are you talking about the divided report, or the whole report? You are talking about the initiation fee and reinstatement, right?

DELEGATE OLIVER: Right.

INTERNATIONAL PRESIDENT DENNIS: That is what we have before the house.

DELEGATE OLIVER: Right.

INTERNATIONAL PRESIDENT DENNIS: All right.

DELEGATE WILLIAM T. GALLAHER (Lodge 2100): Mr. Chairman, a point of personal privilege, please.

. . . Cries of "Oh" . . .

INTERNATIONAL PRESIDENT DENNIS: Brother Gallagher, I have recognized you, you know, for quite a few times, and if every delegate got up for personal privilege as frequently as you have we would be here for quite awhile. (Applause and whistles)

I hate to do this, but we are on this question now. Let us get to the bottom of this question, and then later on the point of personal privilege should not be recognized for a statement at this time. We are discussing this issue. Unless it is on this question, either for or against, I have to deny you the right to speak at this time. (Applause)

All right, are you ready to vote?

. . . The question was called . . .

INTERNATIONAL PRESIDENT DENNIS: Those in favor of the committee's amended report, that the initiation fee and reinstatement fee be amended to provide that—reinstatement and fees by changing the

allocation to give the Grand Lodge $10, the System Board $10, and the Local Lodge $10, out of each initiation fee. The Committee proposes to change its report to give the Grand Lodge $20, the System Board $10, and the Local Lodge $15 out of each reinstatement fee.

Then also that any subordinate unit desiring to increase the initiation fee or reinstatement fee above the $30 or $45 recommended by the Committee shall be permitted to do so if a majority of the members of said unit and the International President approves same.

Now, that is what we are voting on. Those in favor please raise your right hands. Down hands. Those opposed.

That portion of the Committe's [*sic*] report is adopted. (Applause) In excess of a two-thirds vote.

Now the question of dues is in the balance of the report. The Committee's report is that the second step be eliminated. The $12 step be eliminated, and we have a dues of $11; that the present minimum of $5.50 become $11.00; and that the Grand Lodge portion, which is $2.10 become $4.20, the System Board portion, which is $2.10 become $4.20; and the local lodge portion which is $1.30 become $2.60. A complete equal distribution across the board.

Then the distribution of the funds are as detailed by the Chairman of the Laws Committee.

That is the question before us now. Mike 2.

DELEGATE T. B. GOODWIN (Lodge 8043): Brother Dennis, before I made a motion that the Canadian delegation—that the President—my amendment to the motion was that the present Grand Division portion of the per capita tax not be changed for the Canadian membership at this time.

I feel that it is only right to explain to the sisters and brothers from the States why I made this amendment.

First, I wish to state that we are not opposed to an increase in dues. We in Canada are not afraid to face our membership because we too have made good gains, and we want to carry our weight.

However, for the United States brothers and sisters, I would like to state what we are up against north of the border.

In Canada we have two major railways, the Canadian Pacific, which is represented by BRAC, BRAC only represents the TC employees on the Canadian National. The balance of clerks are represented by a National Union, the Canadian Brotherhood of Railway Transport and General Workers. Their dues are $5.50 per month. You are now asking us to increase our dues to $11.00, double theirs for the same representation.

When we negotiate in Canada, we. . . .

* * * *

. . . their specific problems. So now we will vote on the previous question.

The previous question is the amendment made by the Brother from Roanoke, and that amendment that he made reads as follows: "That Article 27, Section 2, be amended to read as follows: Section 2(a) —"

I have to put the question to see if the majority want the previous question. My parliamentarian here so advises me. Those in favor of moving the previous question please vote by raising your right hands. Down hands. Those opposed.

We will now vote on the previous question. The previous question that was brought up was the amendment made by the Delegate from Roanoke, which reads as follows. It was an amendment to the Committee's revised report. "Section 2(a). Effective July 1, 1971, all full dues established by the 1967 Convention, or by other provisions of the Constitution and Laws of the Brotherhood applicable to all members under the jurisdiction of each Board of Adjustment and System Division shall be increased $2.50 per member per month, except that no full dues shal [*sic*] be less than $8.00 per member per month.

"Effective July 1, 1973, all full dues established by the 1971 Convention or by other provisions of the Constitution and Laws of the Brotherhood applicable to all members under the jurisdiction of each Board of Adjustment and System Division shal [*sic*] be increased $2.00 per member per month, except that no full dues shall be less than $10.00 per member per month, and distribution of dues proportionately."

This is submitted by the Delegate from Lodge 1385, Roanoke, Virginia. I don't have that Delegate's name, but I guess it is in the record.

Now, that was the amendment from the floor to the Committee's report. We will first vote on that amendment. And then if that amendment carries, we will vote on the total report as amended. If it loses, we will then vote on the Committee's report. Is that clear? So you are now voting on the amendment of the Delegate who submitted if from the floor.

Those in favor of the amendment from the floor please raise your right hands. Down hands. Those opposed. The amendment is lost.

We will now vote on the Committee's report, and the Committee's report was that the dues shall be $11.00 and the Grand Lodge portion would be $4.20 a month; the System Board portion $4.20; and the Local Lodge portion $2.60, with the understanding, as I stated previously, any General Chairman who thinks he does not need that much money can write in and get forgiveness from the International President.

Are you ready to vote?

. . . Calls for the question . . .

INTERNATIONAL PRESIDENT DENNIS: Those in favor of the Committee's report please raise your right hands. Down hands. Those opposed.

Well, let's see if we can see a little better by a standing vote. Those in favor of the Committee's report please rise.

. . . Those in favor of the motion arose . . .

INTERNATIONAL PRESIDENT DENNIS: Everybody rise who is in favor of the Committee's report, and we will have the Tellers tabulate their particular tables. It looks to me like we have two thirds.

. . . Cries of "Oh" and applause . . .

INTERNATIONAL PRESIDENT DENNIS: This is the Committee's amended report. You see, the TC Division over on this side of the house only has a half a vote.

. . . Cries of "Roll call" . . .

INTERNATIONAL PRESIDENT DENNIS: And I will bet my right arm that there's two thirds of the Delegates standing.

. . . Cries of "No" and "Roll call" . . .

INTERNATIONAL PRESIDENT DENNIS: Now we are not going to gain anything by a lot of hollering. I will do what this Convention wants me to do. I am trying to be fair and honest about this thing. I could very easily say that this is a two-thirds vote. So now, if anybody wants to get a little rough with the Chair, the Chair in turn will get a little rough with them. (Applause)

Now, I have tried to be considerate. (Applause)

I now declare we have a two-thirds vote standing. (Applause and cheers) And this is the ruling of the Chair. (Applause and cheers)

DELEGATE TOPPEN: Committee Report No. 5, page 4, Resolution No. 7, page 4.

DELEGATE F. M. SHEAHAN (TC Division 1): Mr. Chairman, Mr. Chairman.

INTERNATIONAL PRESIDENT DENNIS: What is the problem?

DELEGATE SHEAHAN: Point of privilege.

INTERNATIONAL PRESIDENT DENNIS: State it.

DELEGATE SHEAHAN: I have a point of privilege.

INTERNATIONAL PRESIDENT DENNIS: State your point.

DELEGATE SHEAHAN: I wish to challenge the Chair on the vote. (Applause and cheers)

DELEGATE JOAN D. BRDA (Lodge 36): I second the motion. (Applause)

INTERNATIONAL PRESIDENT DENNIS: All right. If two-thirds of the Delegates challenge the decision of the Chair, we will then have a roll call vote. (Applause)

Now, those delegates who wish to challenge the decision of the Chair please rise.

. . . Those who wished to challenge the decision of the Chair arose . . .

INTERNATIONAL PRESIDENT DENNIS: That is not two-thirds of the house. (Applause and cheers)

The decision of the Chair stands.

DELEGATE TOPPEN: Committee Report No. 5, page 4, Resolution No. 7, page 4.

This resolution has been submitted by one of our Canadian Board of Adjustments to delete that portion of Article 5, Section 3, pages 6 and 7 of the Grand Lodge Constitution, pertaining to partisan politics.

Your committee feels that the primary purpose of such submission was to clearly establish the current practice of allowing the International Vice President-Canada, with the approval of the International President, to support political parties in Canada. It is necessary to support a party as a whole, rather than individual candidates, so as to effectively exert political strength in behalf of our Canadian membership. The Canadian political system is different than the United States System, and we must give recognition to this difference.

Your committee feels that our current policy, as announced at the last Brotherhood Convention, contemplates such handling of endorsement of political parties by our Canadian International Vice President; however, we desire to clearly establish through this minor constitutional amendment the current practice now being followed.

The committee on Grand Lodge Constitution and Laws proposes to amend Article 5, Section 3, on pages 6 and 7 of the Constitution of the Grand Lodge, as follows:

THAT ARTICLE 5, SECTION 3 BE AMENDED TO READ AS FOLLOWS:

"Section 3. The influence or sympathy of the Brotherhood as a body shall never be enlisted or used in favor of any religious organization. No member is permitted to discuss in any manner (in meetings while

discussing Brotherhood business any religious matters, or criticize the religious belief of any member; nor can the influence or sympathy of the Brotherhood as a body be used in favor of partisan politics, or any political party, (except where the International Vice President-Canada, with the authority of the International President and in accordance with Canadian Laws, has made such an endorsement in Canada), and any lodge permitting the same to be done shall have its charter suspended, and all members participating in such discussion shall be subject to expulsion."

Mr. Chairman, I move adoption of the committee's report.

DELEGATE FITZJARRELL: I second the motion.

INTERNATIONAL PRESIDENT DENNIS: You have heard the committee's report. What is your pleasure?

. . . The question was called . . .

INTERNATIONAL PRESIDENT DENNIS: Mike 2.

* * *

EXHIBIT H

1971 CONSTITUTION

ARTICLE 25
REPRESENTATION

American Federation of Labor and Congress of Industrial Organizations

Section 1. Representatives to Conventions of the American Federation of Labor and Congress of Industrial Organizations shall consist of the International President and such other members appointed by him in number sufficient to give the Brotherhood the representation to which it is entitled under the governing laws of the American Federation of Labor and Congress of Industrial Organizations. The allowance to delegates (except International Officers and full-time employes of the Grand Lodge) shall be on the same basis as was provided for delegates attending the preceding Grand Lodge Convention. Full-time International Officers and employes shall be paid their expenses and regular salaries.

ARTICLE 26
COMMUNICATING—SOLICITING FUNDS

Section 1. A subordinate unit, officer, committee member, or member shall not send circulars or letters to any subordinate unit or member encouraging or advocating violation of, or having the tendency or effect of violating, the obligations imposed upon them by Article 5 of this Constitution.

Section 2. (a) Subordinate units, officers, committee members and members must not solicit funds in the name of the Brotherhood unless authorized by the International President.

(b) A subordinate unit of the Brotherhood shall not be denied the right to publish souvenir programs for social functions when they do not carry paid advertising, nor are social functions conducted by a subordinate unit prohibited when the sale of tickets is handled by its own member.

ARTICLE 27
FEES AND DUES

Section 1. The initiation fee of the Brotherhood shall be thirty dollars ($30.00) and the reinstatement fee of the Brotherhood shall be forty-five dollars ($45.00). The initiation or reinstatement fee may be waived in whole or in part by the International President on applicants for membership who are in the service of an employer where the Brotherhood is conducting an organization campaign or endeavoring to

establish or maintain right of representation for collective bargaining. The Grand Lodge shall receive ten dollars ($10.00) of each initiation fee and twenty dollars ($20.00) of each reinstatement fee, which shall be apportioned as follows:

	Init. Fee	*Rein. Fee*
General Fund Account (Grand Lodge)	$ 6.25	$16.25
Protective Fund Account (Grand Lodge)	1.50	1.50
Convention Fund Account (Grand Lodge)	.60	.60
Death Benefit Department Fund (Grand Lodge)	.90	.90
Official Publication Account (Grand Lodge)	.30	.30
Organization Fund Account (Grand Lodge)	.45	.45
Total to Grand Lodge	$10.00	$20.00

The Board of Adjustment shall receive ten dollars ($10.00) from each initiation or reinstatement fee, the remainder to be retained by the Local Lodge.

Any subordinate unit that desires to establish an initiation fee above the thirty dollar ($30.00) or a reinstatement fee above the forty-five dollar ($45.00) amount shall be permitted to do so provided a majority of the members of said unit and the International President approves same.

Section 2. (a) Effective July, 1971, all full dues established by the 1967 Convention, or by other provisions of the Constitution and Laws of the Brotherhood applicable to all members under the jurisdiction of each Board of Adjustment and System Division, shall be increased five dollars and fifty cents ($5.50) per member per month, except that no full dues shall be less than eleven dollars ($11.00) per member per month.

There shall be two kinds of dues applicable to members of the Brotherhood. Full dues shall be not less than eleven dollars ($11.00) per member per month of which a minimum of two dollars and sixty cents ($2.60) per member per month shall be retained for State Legislative tax and the use of the lodge; retention of membership dues, which shall be one dollar and fifty cents ($1.50) per member per month, of which forty cents (40c) shall be retained for the use of the lodge. Full dues shall apply to each member who receives pay for forty (40) hours or more in any calendar month on a position in industry over which the Brotherhood claims jurisdiction, or the equivalent compensation under any agreement between an employer and the Brotherhood; to a member promoted to excepted or official positions and a member taking a voluntary leave of absence requiring approval of the organization.

Each Board of Adjustment and System Division is authorized to fix uniform dues (above the minimum of eleven dollars ($11.00) per member

per month) to apply to all members subject to the scope rule of each individual contract under the jurisdiction of the Board of Adjustment or System Division, provided such dues shall be sufficient to meet Grand Lodge per capita tax lawfully approved Board of Adjustment or System Division per capita tax and State Legislative Committee per capita tax, subject to the approval of the International President.

Retention of membership dues shall apply to a member who performs no service in a calendar month due to reduction in force, furlough, military service, sickness, disability, resignation, and a member who receives pay for less than forty (40) hours in any calendar month on a position in industry over which the Brotherhood claims jurisdiction; and a member working in another craft in the industry where he is required to join another union under a Union Shop Agreement.

Members who have retired because of age and who perform no compensated service on a position in industry over which the Brotherhood claims jurisdiction will be classified as associate members, with full rights to participate in the Death Benefit Department, if qualified, receipt of RAILWAY CLERK/interchange, with right to attend lodge meetings of the Brotherhood, except they shall have no vote in the election of officers, or on matters pertaining to wages, rules, working conditions or grievances, and they may retain such membership by the voluntary payment of one dollar and fifty cents ($1.50) per month.

(b) Subordinate units shall be allowed appropriate credit on the quarterly per capita tax report for sick and out-of-work members. The subordinate unit will be billed on per capita tax report for members in military service and members drawing disability pension or age and service pension at the reduced per capita tax rate.

(c) Subordinate units shall not be permitted to waive dues of any member or officer except that members on strike over two (2) weeks and who have not secured other employment shall be exempt from the payment of dues.

(d) In the event of extraordinary circumstances, involving ongoing organizational efforts, new representation, specific national problems, restrictive labor laws, or other unusual circumstances, any subordinate unit may petition the International President for permission to lower the minimum Board of Adjustment, System Division or Local Lodge per capita tax specified herein and elsewhere. The International President may grant such waiver subject to annual review by him, provided that, in his judgment, the needs of the Brotherhood can be adequately met and the circumstances warrant such action.

(e) In the event of extraordinary circumstances involving new organizational efforts, newly acquired representation rights, initial contracts, and situations wherein existing rates of pay or working conditions

are determined to be below the over-all pattern of our Brotherhood, any subordinate unit or units involved may petition the International President for, or the International President may initiate on his motion, a partial reduction of the Grand Lodge per capita tax for the members covered by the respective contract or organizing situation, subject to the approval of the Finance Committee. Reductions so granted shall not extend beyond the term of the initial contract unless resubmitted and approved by the Finance Committee.

Assessments

Section 3. No assessment shall be levied by any subordinate unit except by approval of the International President.

PER CAPITA TAX

Section 4. (a) Grand Lodge per capita tax shall be four dollars and twenty cents ($4.20) per month or twelve dollars and sixty cents ($12.60) per quarter on full dues paying members, except that no per capita tax is payable on new or reinstated members for the quarter in which they apply for membership; one dollar and ten cents ($1.10) per month or three dollars and thirty cents ($3.30) per quarter on reduced dues paying members and shall be apportioned quarterly by the International Secretary-Treasurer to the different funds and fund accounts as follows:

Per Capita Tax on Full Dues Paying Members

General Fund Account (Grand Lodge)	$ 3.10
Protective Fund Account (Grand Lodge)	.75
Convention Fund Account (Grand Lodge)	.60
Death Benefit Fund (Grand Lodge)	1.20
Official Publication Fund Account (Grand Lodge)	.60
Organization Fund Account (Grand Lodge)	1.25
*Legislative Fund Account (Grand Lodge)	.10
Total	$12.60

*Any member who does not desire to contribute to the Legislative Fund Account may have his dues reduced three and one-third cents (3⅓c) per month, by notifying his Financial Secretary in writing and paying his dues direct to said Financial Secretary. Reduction in dues becomes effective with the month following the month in which the member notifies the Financial Secretary in writing and cannot be retroactive. The Financial Secretary will acknowledge receipt of notice.

Retention of Membership Per Capita Tax

General Fund Account (Grand Lodge)	$ .80
Convention Fund Account (Grand Lodge)	.60
Death Benefit Fund (Grand Lodge)	1.20
Official Publication Fund Account (Grand Lodge)	.60
*Legislative Fund Account (Grand Lodge)	.10
Total	$3.30

*Any member who does not desire to contribute to the Legislative Fund Account may have his dues reduced three and one-third cents (3⅓c) per month, by notifying his Financial Secretary in writing and paying his dues direct to said Financial Secretary. Reduction in dues becomes effective with the month following the month in which the member notifies his Financial Secretary in writing and cannot be retroactive. The Financial Secretary will acknowledge receipt of notice.

Associate Membership
Per Capita Tax

General Fund Account (Grand Lodge)	$ .75
Convention Fund Account (Grand Lodge)	.00
Death Benefit Fund (Grand Lodge)	1.20
Official Publication Fund Account (Grand Lodge)	.60
*Railway Clerks Political League	.75
Total	$3.30

*Any Associate member who does not desire to make a voluntary contribution to Railway Clerks Political League may have his dues reduced 25c per month by notifying his Financial Secretary in writing and making his payment direct to said Secretary. Reduction in dues will become effective with the month following the month in which the Associate member notifies his Financial Secretary in writing and cannot be retroactive. The Financial Secretary will acknowledge receipt of the notice.

NOTE: An Associate member is a member who has retired because of age and who performs no compensated service on a position in industry over which the Brotherhood claims jurisdiction, and per capita tax received on him is only allocated to those funds in which he has an interest or from which he receives service. The purpose of the voluntary contribution to Railway Clerks Political League is to advance and protect his interest through political activity in the legislative field and in particular to work for improvement of retirement systems established and maintained under law.

(b) Grand Lodge per capita tax is payable quarterly in the month following the close of each calendar quarter. Tax for the first quarter of each calendar year is payable in April; second quarter tax in July; third quarter tax in October, and fourth quarter tax in January. Failure of a subordinate unit to pay Grand Lodge tax within the time specified above subjects it to suspension. Members in good standing of such suspended subordinate unit may transfer to another subordinate unit.

(c) Per capita tax advanced on members who are not subject to suspension under the provisions of Article 6, Section 1, of the Lodge Statutes or the By-Laws of other subordinate units, at the time quarterly per capita tax report is made to the International Secretary-Treasurer, shall upon proper certification be credited to the lodge or subordinate unit by the International Secretary-Treasurer for any month of the current quarter and the last month of the previous quarter for which dues were not paid.

Board of Adjustment Per Capita Tax

(d) Board of Adjustment and System Division per capita tax shall be not less than four dollars and twenty cents ($4.20) per member per month.

Section 5. All monies received by the International Secretary-Treasurer shall be deposited in the General Fund of the Brotherhood and each of the above fund accounts shall be credited with its proportion of the fees and dues as provided above, and separate records kept of each fund and fund account; provided, however, the Death Benefit Fund shall be maintained separate and apart from all other fund accounts of the Brotherhood.

Section 6. The International Secretary-Treasurer shall be the custodian of all funds.

EXHIBIT I

POLICY STATEMENT OF THE BRAC ISSUED BY THE INTERNATIONAL PRESIDENT AND APPROVED BY THE EXECUTIVE COUNCIL

SUBJECT: Procedure Providing Reductions In Dues and Agency Fees To Members And Non-Members Who Object To The Use Of Their Union Dues Or Agency Fees For Political Purposes Not Germane To Collective Bargaining.

REASON FOR ADOPTION OF THE POLICY STATEMENT: In 1963, the United States Supreme Court rendered its decision in the case of *BRAC v. Allen* (1963) 373 U.S. 113. That decision held that objecting members of a labor union were entitled to a reduction in their dues obligations in the same proportion that total union expenditures for political purposes not germane to collective bargaining bore to total union expenditures. In so ruling, the Court recognized the right of unions to expend dues and agency fees collected pursuant to collective bargaining agreements in support of all activities germane to collective bargaining and to expend non-dissenters' dues and fees for political purposes not germane to collective bargaining. Only the expenditures of dissenters' dues and fees for political purposes not germane to collective bargaining were subject to the refund. Unions were urged by the Court to adopt voluntary internal procedures to accomplish the refunds without the necessity of judicial recourse.

Although most of the funds this union expends on political purposes not germane to collective bargaining are raised through voluntary contributions to the Railway Clerks Political League (expenditures to or in behalf of candidates for Federal office are made from these voluntary contributions), some such political expenditures are made from dues and agency fees. While the Supreme Court has recognized the legality of these expenditures from union dues and fees, the Court has also recognized the right of dissenters not to pay mandatory dues and fees which are expended for political purposes not germane to collective bargaining.

This union was a party in the *Allen* case and, in an effort to comply with the mandate of the Court, we adopted the dues reduction procedure presently embodied in Article 27, Section 4(a) of the Constitution of the Grand Lodge. Three and one-third cents per month was thought to constitute an approximation of the dues reduction required by the United States Supreme Court.

Recent developments have suggested the necessity for adoption of a policy expanding and clarifying the dues reduction procedure. Certain members of our union and certain non-members paying agency fees instituted a lawsuit seeking, among other relief, to compel the adoption of a procedure which would permit objecting members and non-members to recover that proportion of their dues and agency fees being spent on political purposes not germane to collective bargaining to which they had objection. In addition to the lawsuit, confusion regarding the availability of the three and one-third cent dues reduction to non-members paying agency fees suggested the necessity for clarification and expansion of the policy on dues reductions. Furthermore, it is recognized that the allocation made some years ago may no longer correlate with actual expenditures of dues and fees for political purposes not germane to collective bargaining.

POLICY: The following policy statement is declared by the International President and the Executive Council, to be applicable to members and non-members in the United States paying dues or agency fees, effective January 1, 1974:

1. Any member or non-member who pays dues or agency fees pursuant to a collective bargaining agreement shall have the right to object to the expenditure of a portion of his dues or agency fees for political purposes not germane to collective bargaining.

2. Expenditures for political purposes not germane to collective bargaining shall include the following expenditures:

(a) Expenditures for payments to or on behalf of any candidate for public office in connection with said candidate's campaign for election to such public office.

(b) Expenditures to or on behalf of any political party or political organization.

(c) Expenditures for the holding of any meeting or printing or distribution of any literature or documents in support of or opposition to any such candidate, political party, or political organization.

(d) Expenditures to or on behalf of any organization which espouses a political viewpoint or ideology for purposes not germane to

collective bargaining.

3. The board of Trustees of the Grand Lodge shall review the records of the union maintained by the International Secretary-Treasurer and shall determine the amount of receipts from dues and agency fees expended for political purposes not germane to collective bargaining by this union, including specifically such expenditures by the Grand Lodge, the System Boards of Adjustment, the State Legislative Committees, and the Local Lodges, in each of the past three years. The figures for each year of the last three shall be added together and divided by three to determine the average expenditure for political purposes not germane to collective bargaining.

4. The Board of Trustees of the Grand Lodge shall likewise compute the average receipts from dues and agency fees by computing the total receipts from dues and agency fees in each year of the last three years, adding the figures for each year together, and dividing that sum by three.

5. The Board of Trustees of the Grand Lodge shall then compute the proportion of the average receipts of dues and agency fees which is expended on political purposes not germane to collective bargaining by dividing the average expenditures for political purposes not germane to collective bargaining by the average receipts of dues and agency fees.

6. The above described computations by the Board of Trustees shall be made annually in the month of February, using the figures for the preceding three years. If the ratio of expenditures for political purposes not germane to collective bargaining to receipts of agency fees and dues, when multiplied by the monthly dues or agency fee obligation of an objecting member or non-member, is less than three and one-third cents per month, the amount of the dues reduction shall nevertheless be three and one-third cents per month.

7. Any member or non-member who perfects such an objection to the expenditure of dues or agency fees for political purposes not germane to collective bargaining shall be entitled to a reduction in such dues or agency fee obligation in the same proportion that average expenditures for political purposes not germane to collective bargaining bears to average receipts of dues and agency fees.

8. Any member paying dues or non-member paying agency fees may perfect such an objection by individually notifying the Financial

Secretary of the Local Lodge or the General Secretary and Treasurer of the System Division to which dues and fees are paid by certified or registered mail, provided, however, that such objection shall be timely during the first thirty days of union membership and during the first thirty days of each calendar year, except as provided in paragraph 10. An objection may be continued from year to year only if renewed during the thirty day period at the beginning of each year. Objecting members and agency fee payers who pay their dues or agency fees directly to their Local Lodge Financial Secretary or to their System Division General Secretary and Treasurer shall be entitled to a reduction in their dues or agency fees of that proportion of their monthly dues and agency fees which is the same as the ratio of average expenditures for political purposes not germane to collective bargaining to average receipts of dues and fees. Objecting members and agency fee payers who wish to pay their dues or agency fees through a company check-off shall receive an annual refund of that proportion of their dues and agency fees which is the same as the ratio of average expenditures for political purposes not germane to collective bargaining to average receipts of dues and fees.

9. If an objecting member or agency fee payer is dissatisfied with the proportional allocation made by the Board of Trustees of the Grand Lodge, said individual may appeal the ruling to the International President. If the objector is then dissatisfied with the decision of the International President, said individual shall have the right of an appeal to the Executive Council and, thereafter, if still dissatisfied, of an appeal to the Convention.

10. Any objecting dues paying member or non-member paying agency fees, who has filed an objection with the Local Lodge or System Division prior to the adoption of this policy statement, shall have said objection honored retroactively from the date of the original objection, provided such objecting member or non-member files with the Financial Secretary of the Local Lodge or General Secretary and Treasurer of the System Division a copy of the original objection along with a current objection; if a copy of the original objection is unavailable, the objecting member or non-member may file a statement declaring the date and content of the prior objection and the unavailability of a copy thereof along with a current objection. Renewal of prior objections, as well as new objections by members and non-members who had not previously objected, shall be timely if filed within ninety days of the effective date of this policy statement. Otherwise, objections shall be timely only as provided in paragraph 8.

Issued this 24th day of January 1974.

By: C. L. Dennis

C. L. Dennis
International President

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Attorneys for Defendants

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

ALLEN FAILS, JACK FROST, TWILA JOHNSON, BRENT ERKMAN, HELENE TAYLOR, CANDICE BROWN, GAYLE NELSON, JANIS DAMANTE, AUDREY RYAN, MARY ANN GROTE, SHIRLEY BALLARD, LOA YOUNG, MARGUERITE DOUGLAS, JOYCE EMMINGER and KENNETH WISOR, Plaintiffs, vs. BROTHERHOOD OF RAILWAY, AIRLINE AND STEAMSHIP CLERKS, FREIGHT HANDLERS, EXPRESS AND STATION EMPLOYES; BROTHERHOOD OF RAILWAY, AIRLINE AND	CIVIL NO. 73-118-N ANSWER TO FIRST AMENDED COMPLAINT

STEAMSHIP CLERKS, FREIGHT HANDLERS, EXPRESS AND STATION EMPLOYES SYSTEM BOARD OF ADJUSTMENT NO. 451, AIR TRANSPORT DIVISION; CALIFORNIA STATE LEGISLATIVE COMMITTEE OF THE BROTHERHOOD OF RAILWAY, AIRLINE AND STEAMSHIP CLERKS, FREIGHT HANDLERS, EXPRESS AND STATION EMPLOYES; SKYLINER LODGE LOCAL 3001; SKYHARBOR LODGE LOCAL 3014; and ARROWLINER LODGE LOCAL 3049,

Defendants.

Defendants Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees; Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employes System Board of Adjustment No. 451, Air Transport Division; California State Legislative Committee of the Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employes; Skyliner Lodge Local 3001; Skyharbor Lodge Local 3014; and Arrowliner Lodge Local 3049 (hereinafter collectively referred to as "BRAC"), for answer to the first amended complaint on file herein, admit, deny and allege as follows:

1. In answer to the allegations of paragraph 1, defendants deny each and every allegation contained in said paragraph.

2. In answer to the allegations of paragraphs 2 and 3, defendants admit the allegations contained therein.

3. In answer to the allegations of paragraph 4, defendants admit that the California State Legislative Committee of the Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees is an unincorporated association, subsidiary to and affiliated with the BRAC, that the Committee has as its purpose, in part, the sponsorship of legislation in the state of California, and that the Committee's activities are supported financially by thirty cents per

month from the compulsory dues and fees paid by plaintiffs and others. Except as otherwise expressly admitted, defendants specifically deny each and every allegation of paragraph 4. Defendants further deny that plaintiffs, or any of them, do or can represent any class.

4. In answer to the allegations of paragraph 5, defendants admit the allegations contained therein.

5. In answer to the allegations of paragraph 6, defendants admit that, at all times material hereto, Western has maintained a collective bargaining relationship with BRAC governing the terms and conditions of employment of plaintiffs and that BRAC was and is the exclusive bargaining agent for the craft or class of employees in which plaintiffs are employed. Defendants deny that plaintiffs, or any of them, do or can represent any class, and, except as otherwise expressly admitted, defendants specifically deny each and every allegation of paragraph 6.

6. In answer to the allegations of paragraphs 7 and 8, defendants admit that the agreements attached to the complaint as Exhibits A, B, and C are agreements executed by BRAC and Western and that said agreements set forth terms and conditions relating to the obligations of employees with respect to BRAC. Except as expressly admitted, defendants deny each and every allegation of paragraphs 7 and 8.

7. In answer to the allegations of paragraph 9, defendants admit that plaintiffs refer in their complaint to the union security provisions of the collective bargaining agreement as "compulsory union membership agreement."

8. In answer to the allegations of paragraph 10, defendants admit that plaintiffs Emminger, Wisor, Young, Taylor, Douglas and Fails were advised by BRAC that their employment with Western would be terminated if they refused to pay BRAC an initiation fee and monthly dues. Defendants further admit that the aforesaid plaintiffs were so advised by a letter dated March 1, 1971, an example of which is attached to the complaint as Exhibit D. In answer to the allegations that Western advised plaintiffs and the class they purport to represent that their employment with Western would be terminated if they refused to pay BRAC an initiation fee and monthly dues, defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of said allegations and, placing their denial on that ground, deny each and every such allegation. Defendants further deny that plaintiffs do or can

represent any class, and, except as expressly admitted, defendants deny each and every allegation of paragraph 10.

9. In answer to the allegations contained in the first sentence of paragraph 11, defendants admit the allegations contained therein. In answer to the allegations contained in the second sentence of paragraph 11, defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of said allegations and, placing their denial on that ground, deny each and every such allegation. Defendants further deny that plaintiffs do or can represent any class, and, except as expressly admitted, defendants deny each and every allegation of paragraph 11.

10. In answer to the allegations of paragraph 12, defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and, placing their denial on that ground, deny each and every such allegation.

11. In answer to the allegations of paragraph 13, defendants admit that plaintiffs Taylor, Brown, Nelson, Ryan, Grote, Young, Douglas, Emminger, and Wisor mailed to defendants a letter substantially in the form quoted in paragraph 13. Except as otherwise expressly admitted, defendants allege that they are without information or knowledge sufficient to form a belief as to the truth of the allegations contained in paragraph 13, and, placing their denial on that ground, deny each and every such allegation. Defendants further deny that plaintiffs are members and representatives of a class of Western employees.

12. In answer to the allegations of paragraph 14, defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations contained therein, and, placing their denial on that ground, deny each and every such allegation. Defendants further deny that plaintiffs do or can represent any class.

13. In answer to the allegations of paragraph 15, defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and, placing their denial on that ground, deny each and every such allegation.

14. In answer to the allegations of paragraphs 16, 17, 18, 19, 20, 21, and 22, defendants deny each and every such allegation.

COUNT I

15. In answer to the allegations incorporated by reference in paragraph 23 of the complaint, defendants incorporate herein by this reference each and every admission, denial and allegation of paragraphs 1 through 14 above.

16. In answer to the allegations of paragraphs 24, defendants admit that dues and fees monies have been used in part for the activities described in sub-paragraph (C). Except as otherwise expressly admitted, defendants deny each and every allegation contained in paragraph 24.

17. In answer to the allegations of paragraph 25, defendants deny each and every allegation contained therein.

18. In answer to the allegations of paragraph 26, defendants admit that the Railway Labor Act authorizes the designation of BRAC as exclusive bargaining agent for all employees in the collective bargaining unit in which plaintiffs are employed, and empowers BRAC and Western to enter into the form of union security agreement described in paragraphs 7 and 8 of the complaint. Except as otherwise expressly admitted, defendants deny each and every allegation contained in paragraph 26.

COUNT II

19. In answer to the allegations incorporated by reference in paragraph 27, defendants incorporate herein by this reference each and every admission, denial and allegation of paragraphs 1 through 14 and 16 through 18 above.

20. In answer to the allegations of paragraph 28, defendants admit that, as the statutory exclusive bargaining representative of plaintiffs, BRAC owes each of them the fiduciary duty of fair representation. Except as otherwise expressly admitted, defendants deny each and every allegation contained in paragraph 28.

COUNT III

21. In answer to the allegations incorporated by reference in paragraph 29, defendants incorporate herein by this reference each and every admission, denial and allegation of paragraphs 1 through 14, 16 through 18, and 20 above.

22. In answer to the allegations of paragraph 30, defendants admit each and every such allegation.

23. In answer to the allegations of paragraph 31, defendants deny each and every such allegation.

24. In answer to the allegations of paragraph 32, defendants admit that the dues reduction procedure set forth in paragraph 30 provides for no reduction of the initiation fees. Defendants further admit that Article 27, Section 4(a) of the BRAC constitution provides that three and one-third cents per month from each member's dues shall be applied to the Legislative Fund Account (Grand Lodge). Except as otherwise expressly admitted, defendants deny each and every allegation contained in paragraph 32.

25. In answer to the allegations of the Conclusion, defendants deny each and every allegation contained therein.

COUNT IV

26. In answer to the allegations incorporated in paragraph 33, defendants incorporate herein by this reference each and every admission, denial and allegation in paragraphs 1 through 14, 16 through 18, 20, and 22 through 24 above.

27. In answer to the allegations of paragraph 34, defendants admit that, at the Convention in 1967, a dues reduction procedure was adopted as part of the dues structure and was set forth in the constitution as amended at the said Convention. Defendants further admit that a copy of a portion of the proceedings from the 1967 Convention is attached as Exhibit F to the complaint. Except as otherwise expressly admitted, defendants deny each and every allegation contained in paragraph 34.

28. In answer to the allegations of paragraph 35, defendants admit that, at the Convention in 1971, the dues reduction procedure was revised and that the procedure was set forth in the constitution as amended at the 1971 Convention. Defendants further admit that a copy of a portion of the proceedings of the 1971 Convention is attached as Exhibit G to the amended complaint. Except as otherwise expressly admitted, defendants deny each and every allegation contained in paragraph 35.

29. In answer to the allegations of paragraph 36, defendants admit that, under Article 34, Section 1 of the BRAC constitution, constitutional amendments may be accomplished at a convention and by referendum. Except as otherwise expressly admitted, defendants deny each and every allegation contained in paragraph 36.

30. In answer to the allegations of paragraph 37, defendants admit that their International President issued a Policy Statement, a copy of which is attached as Exhibit I to the amended complaint; that Article 13, Section 2 of the BRAC constitution provides in part that the International President shall "enforce strict observance of the Constitution, laws, rules and regulations of the Brotherhood."; that Article 13, Section 3 provides in part that the International President "shall at all times strictly enforce the Grand Lodge Constitution, Statutes For The Government Of Lodges, Protective Laws, and T.C. Division By-Laws of the Brotherhood and shall call to account any member or members of the Brotherhood violating the same."; that Article 13, Section 4 of the BRAC constitution provides that the International President "shall have the sole power and authority to interpret the Constitution and laws, subject to appeal to the Executive Council, and shall advise the membership through RAILWAY CLERK/interchange of any such interpretations issued, and may issue dispensation not inconsistent with said Constitution and laws."; and that Article 5, Section 2(a) of the BRAC constitution provides in part that:

> "It is the obligation and responsibility of every officer, subordinate unit and member to comply with the Constitution, Statutes For the Government Of Lodges, Protective Laws and T.C. Division By-Laws of this Brotherhood and the orders of its officers when in conformity therewith. . . ."

Except as otherwise expressly admitted, defendants deny each and every allegation contained in paragraph 37.

31. In answer to the allegations of paragraph 38, defendants deny each and every said allegation.

32. In answer to the allegations of paragraph 39, defendants admit that plaintiffs propounded interrogatories on January 21, 1974; that on January 24, 1974 the Policy Statement was issued effective January 1, 1974; that International President Dennis sent a copy of the Policy Statement to each member of the Executive Council for his approval and instructed each member by letter that "It is imperative that prompt action

be taken on this matter and that your approval or disapproval be received before February 1, 1974."; and that by letter dated February 14, 1974, International President Dennis instructed all Local Lodge financial secretary-treasurers in the United States to mail copies of the Policy Statement to agency fee payers for whom the Grand Lodge did not have correct addresses and that, as part of these instructions, International President Dennis stated "This matter should take precedence over any other duty you may have as Financial Secretary-Treasurer of your Lodge." Except as otherwise expressly admitted, defendants deny each and every allegation contained in paragraph 39.

33. In answer to the allegations of paragraph 40, defendants deny each and every said allegation.

34. In answer to the allegations of paragraph 41, defendants admit the allegation in sub-paragraph B that the Policy Statement, on its face, does not encompass payments plaintiffs are compelled to make in the form of initiation fees and assessments; defendants admit the allegation of sub-paragraph G that the persons serving on the Appeals Committee of the Convention are appointed by BRAC's International President subject to ratification by the Convention; defendants admit the allegations of sub-paragraph H that no time limitations are provided in the Policy Statement and that conventions are scheduled four years apart; defendants admit the allegations of sub-paragraph I that International President Dennis has stated that plaintiffs may not be presented on appeal by an attorney, unless such an attorney is a BRAC member, and that International President Dennis has stated that there are only approximately fifteen to twenty-five such attorneys in the United States who do not serve in a representative capacity for the union, which has approximately 200,000 members in the United States; defendants admit the allegations of sub-paragraph J insofar as that sub-paragraph alleges that the International President has stated that all expenses incurred by an objector in his appeal must be borne by the objector, even if he succeeds in his appeal; defendants admit that sub-paragraphs (1) through (4) of sub-paragraph K correctly summarize some of the provisions of the Policy Statement and further admit the allegations of sub-paragraph (5) of sub-paragraph K except for the last sentence of said sub-paragraph.

Except as otherwise expressly admitted, defendants deny each and every allegation of paragraph 41 and its sub-paragraphs.

35. In answer to the allegations of paragraphs 42, 43, and 44, defendants deny each and every said allegation.

AS FOR THEIR FIRST AFFIRMATIVE DEFENSE HEREIN, DEFENDANTS ALLEGE:

36. The amended complaint fails to state a claim upon which relief can be granted in Count I, Count II, Count III, or Count IV, or any of them.

AS AND FOR THEIR SECOND AFFIRMATIVE DEFENSE HEREIN, DEFENDANTS ALLEGE:

37. Plaintiffs have failed to attempt to exhause internal and administrative remedies available to them.

AS AND FOR THEIR THIRD AFFIRMATIVE DEFENSE HEREIN, DEFENDANTS ALLEGE:

38. The causes of action attempted to be set forth, and each of them, are barred by the statute of limitations provided under California Code of Civil Procedure, Section 337, subdivision (1).

AS AND FOR THEIR FOURTH AFFIRMATIVE DEFENSE HEREIN, DEFENDANTS ALLEGE:

39. The causes of action attempted to be set forth, and each of them, are barred by the statute of limitations provided under California Code of Civil Procedure, Section 338, subdivision (1).

AS AND FOR THEIR FIFTH AFFIRMATIVE DEFENSE HEREIN, DEFENDANTS ALLEGE:

40. The causes of action attempted to be set forth, and each of them, are barred by the statute of limitations provided under California Code of Civil Procedure, Section 343.

AS AND FOR THEIR SIXTH AFFIRMATIVE DEFENSE HEREIN, DEFENDANTS ALLEGE:

41. Insofar as the amended complaint and Counts I, II, III, and IV, and each of them, allege a claim arising out of the interpretation or

application of the collective bargaining agreement between BRAC and Western Air Lines, said amended complaint and Counts I, II, III, and IV, and each of them, are preempted by the provisions of the Railway Labor Act, 45 U.S.C., Section 184, and within the exclusive jurisdiction of the System Board of Adjustment.

WHEREFORE, defendants pray:

(1) That plaintiffs, and each of them, take nothing by their action;

(2) For costs of suit incurred herein; and

(3) For such other and further relief as the Court deems just and proper.

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STEPHEN REINHRDT
LESTER G. OSTROV
JOEL N. KLEVENS

JAMES L. HIGHSAW
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WILLIAM J. DONLON

By Joel N. Klevens
Joel N. Klevens
Attorneys for Defendant

(Proof of service omitted in printing.)

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Attorneys for Defendants

FILED
FEB 5 - 1974
CLERK, U. S. DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA
BY

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

ALLEN FAILS, et al, Plaintiffs, vs. BROTHERHOOD OF RAILWAY, AIRLINE & STEAMSHIP CLERKS, etc., et al, Defendants.	CIVIL NO. 73-118-N STIPULATION AND ORDER FOR CONSOLIDATION

IT IS HEREBY STIPULATED by and between plaintiffs and defendants, through their respective attorneys, that Civil Action No. 73-118-N, "Allen Fails, et al, v. Brotherhood of Railway, Airline & Steamship Clerks, etc., et al", shall be consolidated with Civil Action No. 73-113-N, "Howard Ellis, et al v. Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees, et al".

The parties have entered into this stipulation because the two actions involve similar questions of fact and law and are pending before the same Court.

Dated: February 1, 1974

BODLE, FOGEL, JULBER, REINHARDT and ROTHSCHILD
GEORGE E. BODLE
STEPHEN REINHARDT
JOEL N. KLEVENS

HIGHSAW and MAHONEY
JAMES L. HIGHSAW

WILLIAM J. DONLON

By _____
Joel N. Klevens
Attorneys for Defendants

Dated: February ____, 1974

MICHAEL E. MERRILL
RAYMOND J. LA JEUNESSE, JR.
THE NATIONAL RIGHT TO WORK LEGAL DEFENSE FOUNDATION

JONATHAN C. GIBSON
GIBSON & KENNERSON

JOHN L. KILCULLEN
GALL, LANE, POWELL & KILCULLEN

By _____
Jonathan C. Gibson
Attorneys for Plaintiffs

ORDER

Good cause appearing therefor, IT IS SO ORDERED:

Dated: 2-5-74

_____
United States District Judge

BODLE, FOGEL, JULBER, REINHARDT and ROTHSCHILD
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FILED
FEB 5 - 1974
CLERK, U. S. DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA
BY

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Attorneys for Defendants

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

HOWARD ELLIS, et al, Plaintiffs, vs. BROTHERHOOD OF RAILWAY, AIRLINE AND STEAMSHIP CLERKS, FREIGHT HANDLERS, EXPRESS AND STATION EMPLOYEES, et al, Defendants.	CIVIL NO. 73-113-N STIPULATION AND ORDER FOR CONSOLIDATION

IT IS HEREBY STIPULATED by and between plaintiffs and defendants, through their respective attorneys, that Civil Action No. 73-113-N, "Howard Ellis, et al v. Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees, et al", shall be consolidated with Civil Action No. 73-118-N, "Allen Fails, et al, v. Brotherhood of Railway, Airline & Steamship Clerks, etc., et al".

The parties have entered into this stipulation because the two actions involve similar questions of fact and law and are pending before the same Court.

Dated: February 1, 1974

BODLE, FOGEL, JULBER, REINHARDT and ROTHSCHILD
GEORGE E. BODLE
STEPHEN REINHARDT
JOEL N. KLEVENS

HIGHSAW and MAHONEY
JAMES L. HIGHSAW

WILLIAM J. DONLON

By _____
Joel N. Klevens
Attorneys for Defendants

Dated: February ____, 1974

MICHAEL E. MERRILL
RAYMOND J. LA JEUNESSE, JR.
THE NATIONAL RIGHT TO WORK LEGAL DEFENSE FOUNDATION

JONATHAN C. GIBSON
GIBSON & KENNERSON

JOHN L. KILCULLEN
GALL, LANE, POWELL & KILCULLEN

By _____
Jonathan C. Gibson
Attorneys for Plaintiffs

ORDER

Good cause appearing therefor, IT IS SO ORDERED.

Dated: 2-5-74

_____
United States District Judge

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Attorneys for Plaintiffs

UNITED STATES DISTRICT COURT

FOR THE SOUTHERN DISTRICT OF CALIFORNIA

HOWARD ELLIS, et al., Plaintiffs, v. BROTHERHOOD OF RAILWAY, AIRLINE AND STEAMSHIP CLERKS, et al., Defendants.	CIVIL NO. 73-113-N Consolidated with CIVIL NO. 73-118-N SUPPLEMENTAL AFFIDAVIT OF IRVING B. ROSS
ALLAN FAILS, et al., Plaintiffs, v.	

BROTHERHOOD OF RAILWAY, AIRLINE AND STEAMSHIP CLERKS, et al.,

Defendants.

STATE OF VIRGINIA)
) ss.
COUNTY OF FAIRFAX)

I. IRVING B. ROSS, being first duly sworn, do hereby depose and say:

1. That I am Irving B. Ross, Certified Public Accountant, and that the following information supplements my affidavits of October 16, 1974 and August 26, 1975. This affidavit is based upon persona [*sic*] knowledge that I could competently testify to, if called as a witness herein. The statements and opinions herein are predicated upon my personal review of the documents described below, as well as my education, training, and experience in the accounting profession.

Proposed Revision of BRAC Accounting System

2. The reports of Haskins & Sells dated February 3, 1975, April 3, 1975, and April 15, 1975 (Exhibits A, B and C attached hereto) deal with the proposed establishment of an "automated funds accounting and processing system." The implementation of the systems described, if accomplished, would bring about no ascertainable improvement in the ability to establish with reasonable accuracy the extent of collective bargaining versus non-collective bargaining costs. The proposed system will not isolate costs of collective bargaining, non-collective bargaining, or political costs. Therefore, the conclusion stated in paragraph number 7 of my affidavit dated August 26, 1975 remains unchanged, even in the event that BRAC implements the accounting system recommended by Haskins & Sells.

Board of Trustees Report - 1974

3. The report of the BRAC Board of Trustees applicable to calendar year 1974 (Exhibit D attached hereto) is subject to essentially the same inadequacies described in my affidavits dated October 16, 1974 and August 26, 1975; and the trustees' computations of BRAC's expenditures for "political purposes not germane to collective bargaining" are, in my opinion, inherently unreliable.

RCPL - COPE - BRAC - Fund Transfers

4. The Haskins & Sells audited financial statements of BRAC for the six months ended June 30, 1972 (Exhibit #3 to Wende deposition of December 17, 1974) include under General Fund Unappropriated Revenues the receipt of $100,000 from the AFL-CIO. A review of all BRAC supporting documents relating to these revenues reveals the following:

a) On May 19, 1972 a $50,000 check was drawn on the Railway Clerks Political League (RCPL) account made payable to the AFL-CIO Committee on Political Education (COPE). (See Exhibits E, F, and G attached hereto).

b) Three days later COPE drew a check from its Educational Fund payable to the RCPL (Exhibit H attached hereto).

c) The BRAC International Secretary-Treasurer, D. J. Sullivan acknowledged receipt of such funds on behalf of the RCPL on June 1, 1972. (Exhibit I attached hereto).

d) On June 6, 1972 the BRAC International President, C. L. Dennis instructed Mr. Sullivan to deposit the $50,000 received from COPE into BRAC's General Fund. (Exhibit J attached hereto).

e) On June 7, 1972 a second $50,000 check was drawn on the account of the RCPL payable to COPE. (Exhibits K, L and M attached hereto).

f) Two days later COPE drew its own check for $50,000 from its Educational Fund payable this time to BRAC as a contribution. (Exhibit N attached hereto).

g) D. J. Sullivan acknowledged the second $50,000 on June 13, 1972 in the name of BRAC. (Exhibit O attached hereto).

5. Although BRAC's audited financial statements indicated the source of the $100,000 to be the "AFL-CIO" the true source of the funds was the Educational Fund of COPE.

6. The net effect of these transfers are as follows:

a) Members of BRAC who voluntarily contributed $100,000 to the Railway Clerks Political League had their funds ultimately deposited in the General Fund of the Brotherhood of Railway and Airline Clerks.

b) The Committee on Political Education took $100,000 from its Education Fund which:

(1) it received through per capita assessments from its member affiliates; and

(2) in exchange for this $100,000 (which is restricted by law from being used for contributions to political candidates for federal office), COPE substituted $100,000 of RCPL's "voluntary" money which then could be used without restriction. The substituted funds were receipted by COPE's "POLITICAL CONTRIBUTIONS COMMITTEE-N FUND."

Irving B. Ross

Subscribed and sworn to before me
this 3rd day of October, 1975

NOTARY PUBLIC

My Commission Expires February 25, 1979

(Proof of service omitted in printing.)

EXHIBIT E

May 19, 1972

Committee on Political Education
815 - 16th Street, N. W.
Washington, D. C. 20006

Attention: Mr. Walter Bartkin

Dear Mr. Bartkin:

Enclosed is check No. 1200 drawn on our Railway Clerks Political League account in the amount of $50,000.00, made payable to the Committee on Political Education.

This account is voluntary contributions collected from our membership.

Please furnish us with a receipt in like amount in order for us to comply with the provisions of the Corrupt Practices Act.

Sincerely and fraternally,

Chairman

Enclosure

EXHIBIT F

RAILWAY CLERKS POLITICAL LEAGUE
6300 RIVER RD.
ROSEMONT, ILL. 60018

1200

May 19, 1972 70-2312
711

PAY TO THE ORDER OF COPE - Committeeon Political Education $ 50,000.00

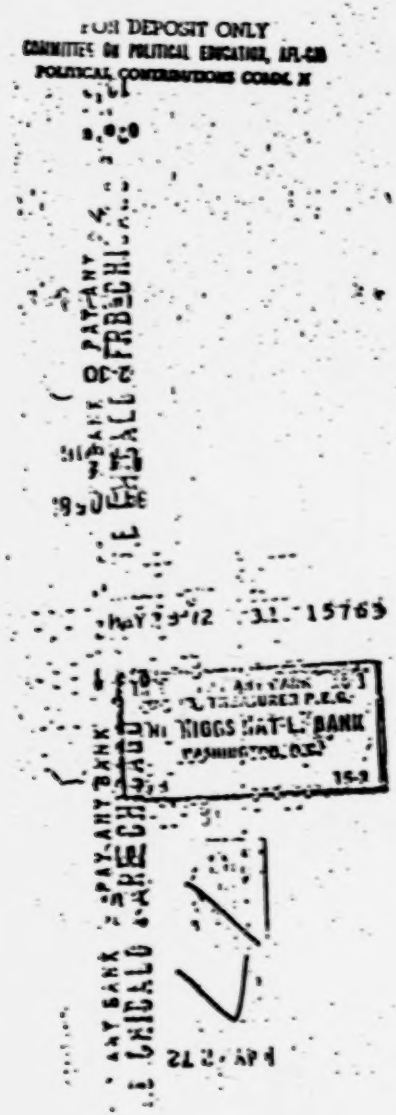
Fifty-thousand and 00/100 DOLLARS

NATIONAL BANK OF SCHILLER PARK
SCHILLER PARK, ILLINOIS

D. J. Fullmer

E. J. Dawson

⑆071123151⑆ 41-765-3 ⑈0005000000⑈


FOR DEPOSIT ONLY
COMMITTEE ON POLITICAL EDUCATION, AFL-CIO
POLITICAL CONTRIBUTIONS COMM. #
PAY ANY BANK
ANY BANK PAY ANY
31-15765
NIGGS NAT'L BANK
WASHINGTON, D.C.
PAY ANY BANK
ANY BANK

JA-182

EXHIBIT G

No. 415 N 1200 Washington, D.C. May 22, 1972

Received from Railway Clerks Political League

City _____ State _____

the sum of $50,000.00

as a voluntary contribution to COMMITTEE ON POLITICAL EDUCATION, AFL-CIO, POLITICAL CONTRIBUTIONS COMMITTEE—N FUND. We gratefully acknowledge your remittance.

C. L. Dennis, Chairman
Railway Clerks Political League
6300 River Road
Rosemont, Ill. 60018

Very truly yours,

Sec.-Treasurer, COPE, AFL-CIO

PCC N FUND

EXHIBIT H

Committee on Political Education

AIR MAIL

May 22, 1972

PRESIDENT'S OFFICE
BH
MAY 24 1972

Mr. C. L. Dennis, President
Brotherhood of Railway, Airline and
Steamship Clerks
O'Hare International Transportation Center
6300 River Road
Rosemont, Illinois 60018

Dear President Dennis:

Enclosed is our check # 9080 drawn on our Educational Fund in the amount of $50,000.00, made payable to the Railway Clerks Political League as a contribution.

In order to comply with the provisions of the Corrupt Practices Act it is necessary for us to have a receipt in like amount.

Fraternally yours,

Al Barkan
Alexander E. Barkan
National Director

jh
opeiu # 2
afl-cio
Enclosure

EXHIBIT I

File: ST-293

June 1, 1972

Mr. Alexander E. Barkan
815 16th Street, N.W.
Washington, D.C. 20006

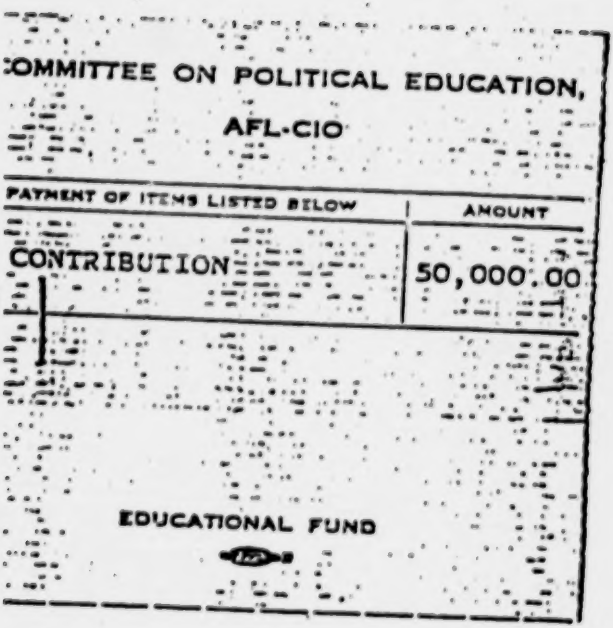
Dear Brother Barkan:

With reference to your letter of May 22, 1972, accompanied by your check # 9080 in the amount of $50,000.00 representing your contribution to the Railway Clerks Political League, please find enclosed our receipt # 4896 dated June 1, 1972.

Sincerely and fraternally,

International Secretary-Treasurer

cc: C. L. Dennis, IP



COMMITTEE ON POLITICAL EDUCATION,

AFL-CIO

PAYMENT OF ITEMS LISTED BELOW	AMOUNT
CONTRIBUTION	50,000.00

EDUCATIONAL FUND

EXHIBIT J

BROTHERHOOD OF RAILWAY, AIRLINE AND STEAMSHIP CLERKS, FREIGHT HANDLERS, EXPRESS AND STATION EMPLOYES
AFL-CIO—CLC **C. L. DENNIS International President**

Subject: Railway clerks
Political League

June 6, 1972

Mr. D. J. Sullivan, IST
6300 River Road
Rosemont, Illinois 60018

Dear Sir and Brother:

I acknowledge receipt of copy of your letter dated June 1, 1972, file ST-293 addressed to Mr. Alexander E. Barkan, acknowledging receipt of $50,000.00.

It is noted that you have acknowledged these funds on behalf of the Railway Clerks Political League and apparently would deposit same in the bank to the RCPL fund. RCPL funds received from the membership are the only funds which should be credited to that account, and this amount from the AFL-CIO should not be intermingled in the RCPL fund.

Therefore, this amount of $50,000.00 should be placed to the credit of the General Fund account and I would ask that you make certain that our records reflect this transaction in this manner.

Sincerely and fraternally,

C. L. Dennis

International President

EXHIBIT K

June 7, 1972

Committee on Political Education
AFL-CIO
815-16th Street, N.W.
Washington, D. C. 20006

Attention Mr. Walter Bartkin

Dear Mr. Bartkin:

Enclosed is check No. 1213 drawn on our Railway Clerks Political League account in the amount of $50,000.00, made payable to the Committee on Political Education. This account is voluntary contributions collected from our membership.

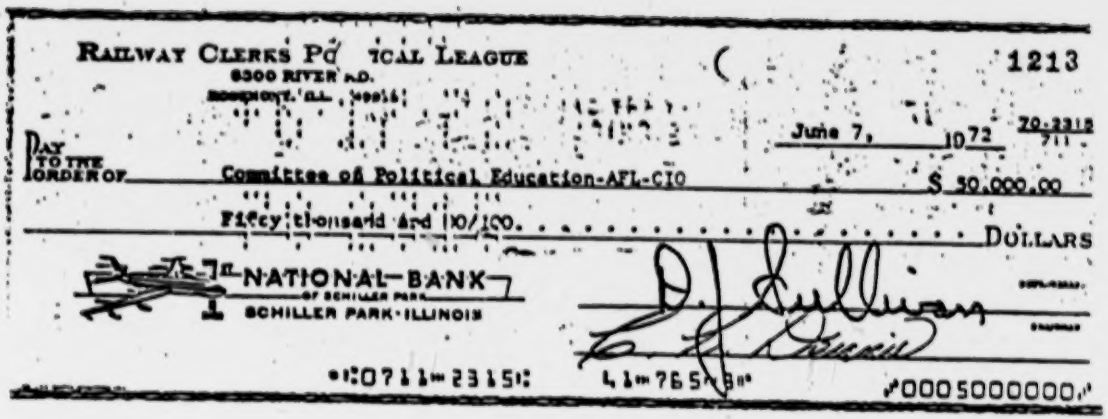
Please furnish us with a receipt in like amount in order for us to comply with the provisions of the Corrupt Practices Act.

Sincerely and fraternally,

Chairman

Enclosure

EXHIBIT L



RAILWAY CLERKS POLITICAL LEAGUE
8300 RIVER RD.
[illegible]

1213

June 7, 1072 70-2318

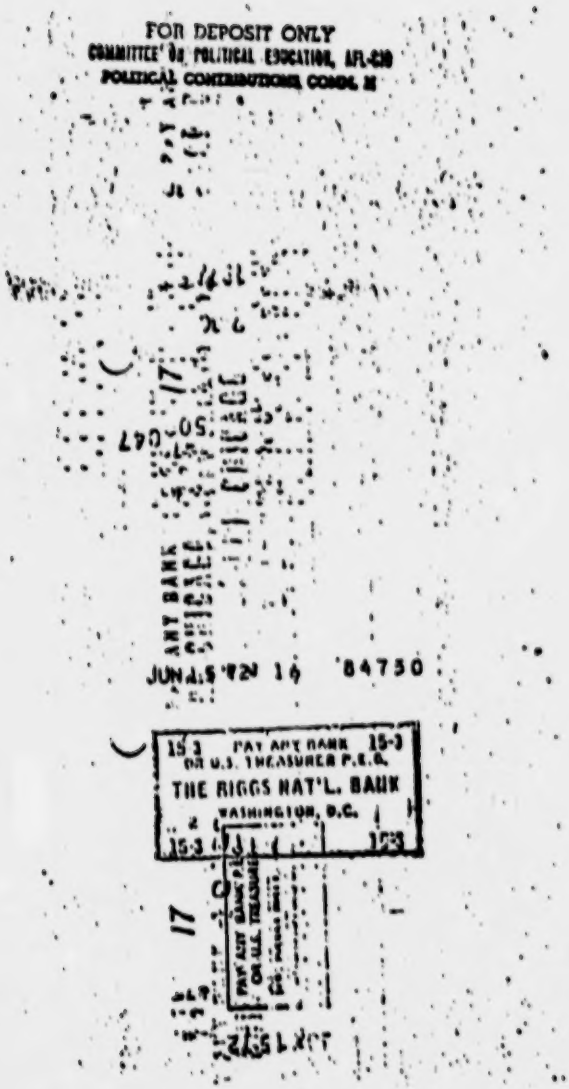
PAY TO THE ORDER OF Committee of Political Education-AFL-CIO $ 50,000.00

Fifty thousand and 00/100. . . . . DOLLARS

NATIONAL BANK
OF SCHILLER PARK
SCHILLER PARK · ILLINOIS

⑆0711⑈2315⑆ 41⑈7655⑈8 ⑈0005000000⑈

L-2


FOR DEPOSIT ONLY
COMMITTEE ON POLITICAL EDUCATION, AFL-CIO
POLITICAL CONTRIBUTIONS, CONGR. M
PAY ANY BANK
JUN 15 '72 16 84750
15-3 PAY ANY BANK 15-3
OR U.S. TREASURER P.E.C.
THE RIGGS NAT'L. BANK
WASHINGTON, D.C.
PAY ANY BANK OR U.S. TREASURER

JA-190

EXHIBIT M

No 578 N Washington, D. C. June 14, 1976

Received from Railway Clerks Political League

City _____ State _____

the sum of $50,000 00 #121

as a voluntary contribution to COMMITTEE ON POLITICAL EDUCATION, AFL-CIO, POLITICAL CONTRIBUTIONS COMMITTEE—N FUND. We gratefully acknowledge your remittance.

G. L. Denis, Chairman
Railway Clerks Political League
6300 River Road
Rosemont, Ill. 60018

Very truly yours,

Sec.-Treasurer, COPE, AFL-CIO
PCC N FUND

EXHIBIT N

Committee on Political Education

AIR MAIL

June 9, 1972

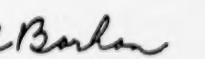
Mr. C. L. Dennis, President
Brotherhood of Railway, Airline and
Steamship Clerks
O'Hare International Transportation
Center
6300 River Road
Rosemont, Illinois 60018

Dear President Dennis:

Enclosed is our check # 9150 drawn on our Educational Fund in the amount of $50,000.00, made payable to the Brotherhood of Railway and Airline Clerks as a contribution.

In order to comply with the provisions of the Corrupt Practices Act it is necessary for us to have a receipt in like amount.

Fraternally yours,



Alexander E. Barkan
National Director

jh
opeiu # 2
afl-cio
Enclosure

EXHIBIT O

File: St-293

June 13, 1972

Mr. Alexander E. Barkan
815 16th Street, N.W.
Washington, D. C. 20006

Dear Brother Barkan:

With reference to your letter of June 9, 1972, accompanied by your check #9150 in the amount of $50,000.00 representing your contribution to the Brotherhood of Railway and Airline Clerks, please find enclosed our receipt #5232 dated June 13, 1972.

Sincerely and fraternally,

International Secretary-Treasurer

cc: Mr. C. L. Dennis, IP

JOSEPH L. RAUH, Jr.
JOHN SILARD
HARRIETT R. TAYLOR
RAUH, SILARD and LICHTMAN
1001 Connecticut Avenue, N.W.
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and ROTHSCHILD
GEORGE E. BODLE
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SOLOMON I. HIRSH
WILLIAM J. DONLON
6300 River Road
Rosemont, Illinois 60018
(312) 692-7711

JAMES L. HIGHSAW
HIGHSAW and MAHONEY
1015 18th Street, N.W., Suite 506
Washington, D.C. 20036
(202) 833-2020

Attorneys for Defendants

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

HOWARD ELLIS, et al., Plaintiffs, v. BROTHERHOOD OF RAILWAY, AIRLINE AND STEAMSHIP CLERKS, FREIGHT HANDLERS, EXPRESS AND STATION EMPLOYES, et al., Defendants.	CIVIL NO. 73-113-N Consolidated with CIVIL NO. 73-118-N AFFIDAVIT OF LESLIE E. DENNIS

ALLEN FAILS, et al.,
Plaintiffs,

v.

BROTHERHOOD OF RAILWAY, AIRLINE AND STEAMSHIP CLERKS, FREIGHT HANDLERS, EXPRESS AND STATION EMPLOYES, et al.,
Defendants.

STATE OF NEVADA)
) ss.:
COUNTY OF CLARK)

Leslie E. Dennis, being duly sworn, deposes and says:

1. I am the Director of Organization and Special Counsel to the International President of the Brotherhood of Railway and Airline Clerks. During the period 1967 to July of 1975, I was the Brotherhood's National Legislative Counsel, Director of Research and Education, Executive Director and an International Vice President. Prior to that time I was Assistant Executive Secretary to the Railway Labor Executives Association.

2. In my present positions, I have responsibility for all of the Brotherhood's organizing activities; all of its Manpower Training Programs with the Federal Government; and the activities of the Railway Clerk's Political League, particularly in Illinois. In addition, I play an active role in the Brotherhood's collective bargaining negotiations, and generally act in an administrative and advisory capacity to all of the different departments and offices of the Union.

3. My background and experience in all aspects of union affairs, and particularly in all aspects of the affairs of the Brotherhood, have given me an intimate and detailed understanding of the various functions and responsibilities of labor unions, and particularly of their collective bargaining, organizing, contract servicing, and grievance handling functions and responsibilities. This affidavit and the statements contained herein are based upon this understanding.

4. I have read the Memorandum of Points and Authorities in support of Plaintiffs' Motion for Summary Judgment and, for the reasons stated, have reached the following conclusions pertaining thereto:

a. Plaintiffs' statements (at p. 50) concerning the charges for "entertainment" on Jack Reese's expense accounts are in error, both factually and conceptually. The entire period covered by the Expense Account Statement to which plaintiffs refer was devoted to negotiations with Western Airlines (plaintiffs' employer), and every item on that statement resulted from such negotiations, grievance handling, or a combination of the two. The earlier statement on the same page that "purchases of liquor are routinely reimbursed to System Board officers . . ." is similarly in error, and for the same basic reason. Such purchases, as well as other expenses of Brotherhood employees, are only reimbursed by the Grand Lodge when they are incurred as appropriate and necessary business expenses. That policy is clear.

But we realize that business is not always conducted in an office. Thus, we reimburse for the expenses appropriate and necessary to a party given for workers after a union representation election. And we reimburse for the cost of a few beers in a bar while talking over negotiating or organizing problems. It's very rare for Brotherhood people to get together, even in a bar, without the conversation being totally involved in the Union, the activities of the Union and the programs you're working on. While social relationships develop -- at least in this Union -- I can think of very few meals that I've had with Union people where we weren't talking about the Union. The work relationship very often dominates to the point where it's a source of problems. When a meeting is held in a very nice spot where you'd like to bring your family, you can't, because the meeting just takes up all your time and involvement.

That's the kind of thing that Jack Reese submitted on his expense account; it should not be called "entertainment."

I have read Subsection III B 1(b) of Defendants' Memorandum attached hereto. The statements made therein relating to negotiations and to entertainment are true.

b. Plaintiffs' statements (at pp. 60-61) concerning organizing expenses are replete with errors. The idea that organizing first and foremost has a financial base is not true in terms of any immediate results of organizing. Generally, the reason you are organizing new people is

because they are making very low wages and have very poor working conditions. You can't possibly charge them the same rates of dues as you charge people who have established contracts and established working conditions. So employees at newly organized locations are charged dues at a rate that is much closer to the realities of their work situation, and we probably don't make money on them. We are charging dues which barely meet our costs and may not even meet our costs in many ways.

Our belief is that there must be a relationship between the dues and the conditions of the people being represented, and the people who are better off relatively have some moral obligation to the people who are not so well off.

Moreover, plaintiffs misconstrue virtually every Brotherhood organizing effort about which they complain. For example, they make much of our organization of casino dealers in Las Vegas, citing it as an example of Brotherhood organizing which is completely unrelated to Western Airlines. But even aside from their mistaken assumption that such efforts account for a major part of our organizing expenses, they are simply wrong about the relation between Western and the casino dealers. The fact is that the organizing in Las Vegas is very related to Western. One only has to travel up and down the expressways in the Los Angeles area to understand the relationship between Western Airlines and everything that happens in Nevada. The fact is that much of the activity of the airline is involved in flying people back and forth between these two areas, and that there are a lot of multi-employer relationships there. For example, there's a great deal of tour booking between Western Airlines and the hotels in which the casino dealers operate. Thus, there is a great deal of contact there. It's for that reason, really, that the casino employees of Las Vegas contacted the Western Airlines System Board. They did not contact the Grand Lodge. They contacted the personnel of the Western Airlines System Board because they *knew* those people, because those people are so involved with the whole touring-travel industry which is the life's blood of the cities of Las Vegas, Reno and Lake Tahoe. So there's a lot of contact and a very close relation between the organizing in Las Vegas and Western Airlines.

Similarly, plaintiffs' complaint about our organizing of "some employees of Marriott," which they say is "presumably a hotel," is way off base. We don't have a Marriott hotel organized. What we have organized, and what we've primarily concentrated on, are Marriott's in-flight services operations which are obviously very closely related to

Western Airlines. In fact, in-flight services originally were all performed by the airlines. Then the work was contracted out from the airlines to various outfits like Marriott, which is a notoriously anti-union employer. We've tried very hard to organize the people in that area -- to bring their wages up to conditions that are comparable to other airline people. That would stop the erosion of work. So we think we have a very strong, direct interest in trying to organize Marriott. And the members on airlines have a very strong, direct interest, also. For example, Northwest Airlines recently took its in-flight services in Anchorage away from its employees and gave them to Harvey's. So it's very important, we feel, to force these substandard employers to pay their people decent wages.

Plaintiffs' reference (Appendix at p. 100) to an NLRB election on July 17 with Marriott had to be one of our attempts at organizing the in-flight services of Marriott, because we've never filed on a Marriott hotel. We'd like to -- we think they ought to be organized. But we've concentrated on Marriott's airport services.

I have read Subsection III B 1(g) of Defendants' Memorandum attached hereto. The statements made therein are true.

5. Finally, I wish to correct plaintiffs' serious misconception about the Brotherhood's Department of Organization in general, and its organizing expenses in particular. The Department of Organization is ordinarily thought of as the arm of a union which is exclusively engaged in expanding the union into new areas by organizing workers in companies which have been previously unorganized. That, I suppose, is the classic definition of the term. However, that is a completely misleading statement when it is applied to BRAC. Largely as a result of our long history, we developed our own *modus operandi*, rather than fitting into the usual industrial union mold.

An examination of our Constitution would lead one to believe that each local lodge, system board, district council, and other subordinate body is heavily engaged in organizing new companies. This is simply not the case. The organizing committees described in the Constitution were established for the purpose of soliciting membership in companies where the Union already had representation. When the union shop agreement was reached in the railroad industry, such local and system committees simply ceased to function.

Today, I know of no lodges in the railroad or airline industry which

have a functioning organizing committee. Most do not even bother to appoint one. The organizing activities of system boards and local lodges are also virtually nonexistent. There *are* some exceptions, but they are few. Western Airlines System Board is one of the exceptions. They have attempted to organize a number of airline and travel related companies, including sky cap contractors, Las Vegas casino employes, airport food services personnel (Marriott), and other airlines. As a percentage of their total budget, these activities would be very slight, since the Grand Lodge reimburses them for any heavy expenses involved. The other major exception is the Allied Services Division System Board, which is a relatively new group primarily composed of newly organized properties.

The members of the Grand Lodge Department of Organization, then, are the people who are primarily charged with BRAC's organizing efforts. However, such efforts have always taken second place to any immediate needs for increased service, or for defense against raids from other unions. Of the Department of Organization's present staff of 21 people, 2 are secretaries who devote over half their time to handling correspondence dealing with negotiations and grievance handling on the Allied Services Division property; 2 are administrators who devote at least one-half their time assisting the administrative department of the Brotherhood; 6 are Grand Lodge Representatives who spend over 90% of their time handling grievances and policing contracts on existing properties; 2 spend approximately half their time carrying out educational programs among existing Union members; and the remaining eight spend approximately 40% of their time in the service area and sixty percent of their time in direct organizing. Such estimates, of course, vary from time to time. However, the "variance" has almost uniformly been in the direction of more servicing work and less organizing work. Thus, one of the principal functions of the Department has been to serve as the trouble shooting arm of the International President. When new officers are elected on a system board; or when there are problems on the Board handling a grievance backlog; or when a strike is called; or when extra negotiating help is needed, people from the Department of Organization are usually assigned to assist. For that reason, we have had as many as eight or ten people assigned to Western Airlines during particularly difficult periods; as many as 10 or 12 assigned to Northwest Airlines during a strike. It is no accident that two of the four past General Chairmen of the Western Airlines System Board were former organizers. They had served as the Grand Lodge staff assigned to assist the members in handling grievances and negotiating contracts.

In addition, of course, we have the actual matter of organizing new members on new properties. We are, very frankly, attempting to increase this activity. We believe it is in the interests of those we represent to expand the Union's base. If we were exclusively an airline clerical union, for example, we could not have survived the Northwest Airlines strike.

The employers in transportation, whether airline or rail, have multi-employer associations which develop uniform labor relations positions. In the airline industry, they have even formed a Mutual Air Pact which is designed to break a union that strikes. If the unions do not organize the unorganized workers in the airlines industry, there is no way they can defend themselves against this type of employer collusion.

Most unions today have recognized that they need to expand their base beyond a single craft/single industry concept. Such expansion is the only way that they can provide those they represent with institutional stability which can ride out crises in a particular set of negotiations in a particular craft or industry. While the crisis is met in one set of negotiations, members in other crafts or industries sustain the efforts of those facing the crisis. Very frankly, this solidarity of a broadened base keeps dues down and provides all of the members with a healthy institutional base.

BRAC's goal is to expand our base. Our resources, however, are quite limited, and our policy is that such expansion must always play second fiddle to the servicing of our existing contracts.

Leslie E. Dennis
LESLIE E. DENNIS

STATE OF NEVADA)
COUNTY OF CLARK) ss.:

Sworn to and subscribed before me this 13TH day of November, 1975.

Eddie La Rue
Notary Public

My Commission expires: MAR 15, 1977

NOTARY PUBLIC - STATE OF NEVADA
CLARK COUNTY
EDDIE La RUE
My Commission Expires Mar. 15, 1977

(Proof of service omitted in printing.)

JOSEPH L. RAUH, JR.
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(202) 833-2020

Attorneys for Defendants

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

HOWARD ELLIS, et al., Plaintiffs, v. BROTHERHOOD OF RAILWAY, AIRLINE AND STEAMSHIP CLERKS, FREIGHT HANDLERS, EXPRESS AND STATION EMPLOYES, et al., Defendants.	CIVIL NO. 73-113-N Consolidated with CIVIL NO. 73-118-N AFFIDAVIT OF LLOYD ULMAN IN OPPOSITION TO MOTION FOR SUMMARY JUDGMENT

ALLEN FAILS, et al.,
Plaintiffs,
v.
BROTHERHOOD OF RAILWAY, AIRLINE AND STEAMSHIP CLERKS, FREIGHT HANDLERS, EXPRESS AND STATION EMPLOYES, et al.,
Defendants.

STATE OF CALIFORNIA)
) ss.
COUNTY OF ALAMEDA)

I, Lloyd Ulman, being first duly sworn, do hereby depose and say:

1. I am currently a Professor of Economics at the University of California at Berkeley, and I also serve as the Director of the Institute of Industrial Relations at the University. My tenure at the University of California as a Professor of Economics commenced in 1958, and I have served as the Director of the Institute of Industrial Relations since 1963. Prior to 1958, I held the position of Professor of Economics and Industrial Relations at the University of Minnesota, and I was a visiting lecturer in Economics at Harvard University. In 1966-1967, I was a Guggenheim Foundation Fellow and Visiting Member at the London School of Economics, and in 1973-1974 I was a Visiting Fellow at All Souls College, Oxford University. I am a member of the American Economic Association, the Industrial Relations Research Association, and Phi Beta Kappa.

2. As a labor economist, I have extensive education and training in the fields of industrial relations, labor economics, and labor history; and I have written extensively on those subjects. I have served as a consultant to the Council of Economic Advisors and the Federal Reserve Board, and I have served as a member of the Advisory Panel to the President's Review Committee on Federal Employee-Management Relations, the National Manpower Policy Task Force, and the National Manpower Advisory Committee. I am currently serving as a member of the Panel of Economic Consultants to the Secretary of the Treasury. A full and complete summary of relevant biographical and bibliographical material pertaining to my qualifications is attached hereto as Exhibit "A".

3. My background, education, and experience have given me an intimate and detailed understanding of the process of collective bargaining engaged in by labor unions and of the historical and economic components of that process. This affidavit and the opinions contained within it are based upon my education, training, and experience as a labor economist and, if called upon to testify, I could testify competently to the opinions stated herein.

4. I have reviewed pages 20 through 63 of the Memorandum of Points and Authorities in Support of Plaintiffs' Motion for Summary Judgment, and I have analyzed plaintiffs' conclusions regarding the nature of collective bargaining and the expenditures of dues moneys which may be categorized as falling within the scope of collective bargaining. I am also generally familiar with the size and structure of defendant BRAC.

5. My conclusion is that plaintiffs are in error when they state that "the concept of collective bargaining delimits the scope of costs chargeable to the plaintiffs to those incurred by BRAC in dealing with Western Airlines with regard to the working conditions of plaintiffs' bargaining unit." That narrow definition of collective bargaining, which limits the costs of "collective bargaining" for plaintiffs to expenditures directed solely to the working conditions within the plaintiffs' bargaining unit, is inconsistent with both the history and the economic realities underlying collective bargaining. Moreover, plaintiffs' contention that expenditures for unions' "institutional activities," including expenditures for publications, conventions, strike benefits, organization, and litigation are beyond the scope of collective bargaining expenditures by unions is likewise without foundation in either the history or the economic realities of collective bargaining. The reasons for my conclusions are stated below.

6. The contention that the scope of collective bargaining expenditures which plaintiffs' dues can be used to support can be limited to those incurred by BRAC in dealing with Western Airlines with regard to the working conditions within the plaintiffs' bargaining unit essentially implies that the finances of unions must be limited to purely local negotiating functions. I disagree with this argument because it is in conflict with the economic realities that produced national and industrial unions in this country.

The American trade union movement is distinguished from the

movements in other countries by the degree to which it pursues the objectives of economic security and advancement and equity on the job by the method of collective bargaining. Other union movements have relied more heavily upon legislative enactment of conditions of employment, upon mutual insurance, or upon radical political activity. This reliance upon collective bargaining as the primary means has made the economic environment of American trade unions a critical determinant of their growth and structures. To the extent that the bargaining strength of the employing unit is affected by forces coming from outside that unit, a bargaining-oriented union will seek to create or maintain institutions which are sufficiently wide or centralized to enable the union either to neutralize such forces or to exploit them for its own advantage. Accordingly, local unions have formed and joined national unions, national unions have amalgamated or formed "coalitions" for collective bargaining, and unions have striven for company-wide or even multi-employer bargaining structures.

Historically, American trade unions have expanded geographically as the scope of the market area in which they operate has expanded. As labor markets and product markets have expanded and as the size of enterprises has grown, labor unions have also grown in order to be able to deal effectively with employers in a collective bargaining context. For example, looking at labor markets, as the mobility of labor in particular occupations has increased, labor unions have had to coordinate strategies of bargaining for labor conditions and wages in order to rationalize the competition between members of the labor force. If the wages in one segment of the labor market are lower than in another, that will affect the ability of other segments to bargain effectively for higher wages. Therefore, the historic tendency has been for local unions to join together into larger regional and national units so that their span of orgarganizational [*sic*] control would correspond more closely with the size of the labor market within the relevant industry.

Similarly, as product markets have expanded due to economic changes and the area of competition among employers has expanded, the level of interdependence of employees of those employers has concomitantly increased. The ability of one employer within a product market to pay his employees depends upon his profitability, and his profitability depends upon the competition from other employers; and the profitability of other employers is affected by their labor costs. Therefore, what employees of one employer within a product market are paid will depend in part upon what other employees of other employers within the market

are paid. Thus, again, local labor unions have banded together to encompass the relevant product market.

An illustrative early example of this interdependence is provided by a historian of the Iron Molders' Union:

> "A few of the locals had been able during the depression of 1861 to prevent any reduction in their wages; but on account of the disorganized condition of the trade in other cities, even these few were unable to enforce their demands for wages commensurate with the rising cost of living." (H.E. Hoagland, "The Rise of the Iron Molders' International Union," *American Economic Review*, June 1913, at page 310.)

Similarly, the preamble of the "National Federation of Miners' and Mine Laborers of the United States and Territories" recognized in 1885 the effect which an expanding product market had had upon coal miners:

> "As miners and mine laborers our troubles are everywhere of a similar character. The inexorable law of supply and demand determine the point where our interests unite. The increased shipping facilities of the last few years have made all coal-producing districts competitors in the markets of this country. This has led to indiscriminate cutting of market prices and unnecessary reductions in our wages, which for some time have been far below a living rate. . . . Local, district and State organizations have done much toward ameliorating the condition of our craft in the past, but today neither district nor State unions can regulate the market to which their coal is shipped. We know this to our sorrow. . . . In a federation of all lodges and branches of miners' unions lies our only hope." (Reproduced in Chris Evans, *History of the United Mine Workers of America* (1918), vol. I, at pages 139, 145.)

In more recent times, especially since World War II, business conditions have fortunately been good enough to prevent widespread cutting of money wages. Yet, in many industries, unions, and frequently companies as well, perceive the need to bargain on a centralized basis in order to present a united front to the other side during negotiations and strikes. But even when the need for industry-wide or regional bargaining is not felt, the union side (or the management side) might still be able to gain a bargaining advantage by coordinating piecemeal negotiations through an

organizational unit which is broader in scope than the one used by the other side.

Furthermore, the realities of power have necessitated the growth of labor unions beyond individual bargaining units, as the enterprises with which they bargain have grown. A single-unit labor union generally cannot bargain effectively with a multi-unit employer whose economic power dwarfs that of the union. Therefore, labor unions have broadened their base of financial support, their membership, and their decision-making in order to equalize their bargaining power with that of enlarged employers.

The process of amalgamation of local unions into larger units has also been necessitated by technological changes or changes in consumer tastes which have had the effect of creating new industries. For example, the invention of the metal door gave rise to a famous jurisdictional dispute between the sheet metal workers and the carpenters because the technological advancement created a new industry overlapping the jurisdictional bounds of the two unions. Such changes have often resulted in the merger or coalition of competing unions to be able to encompass the new industry; or competing unions have engaged in competition until one of the unions expanded at the expense of the other.

It matters not whether the interests of groups of employees are competitive or complementary. The critical fact is that economic forces have dictated that the interests of local bargaining units have become interdependent. The wages, working conditions, and bargaining strategies of one local unit inherently affect those of other units within the same labor market, product market or enterprise. And this interdependence has necessitated the rise of industrial uninos, national unions, and the development of bargaining alliances and less formal cooperative bargaining techniques.

Applying the foregoing analysis to the airline industry, the same economic factors, mediated through the mechanism of rate setting, have produced unions which encompass more than one bargaining unit. Airline rates are regulated at least in part on the basis of the profitability of the entire industry. Therefore, the ability of one airline to pay wages to a particular bargaining unit depends upon the profitability of that airline, and that profitability depends upon the rates it can charge. However, those rates are affected by the profitability of other airlines, and their profitability depends, at least in part, on their labor costs.

Therefore, the economic interests of the employees in the various bargaining units of one airline and in the bargaining units of other airlines are interdependent, and there is the necessity for unions representing individual units to join together to coordinate bargaining strategies and bargaining goals.

The economic interdependence between airlines is manifested in the Mutual Aid Pact. In times of strikes, airlines which are able to fly pay struck airlines on the theory that they are compensating them for the traffic which the non-striking airlines derive by taking over business from the struck airlines. And, the fact that a striking union encounters the economic power of several airlines necessitates the growth of unions encompassing several airlines.

Moreover, this economic interdependence extends beyond the airline industry proper into the overall transportation industry because competitive relationships in the product market necessitate interdependence in the labor market and bargaining. For example, as Amtrak fast trains increasingly compete with airlines' passenger service--perhaps under the impetus of a national energy policy--the wages and working conditions on the trains become a matter of greater economic concern to the unions representing the airline employees. If wages on the trains lag substantially behind those on the airlines and the trains acquire a competitive advantage over airlines and take substantial business from them, the ability of airlines' employees to successfully demand higher wages is affected. Similarly, any elements of competition between industries which a union's employer worries about ultimately become a source of concern to the union, and frequently the concern generates a desire to increase cooperation between the unions involved, so that a greater degree of control can be exercised over the economic factors affecting bargaining.

If the law were such that unions could collect and expend dues money solely within individual bargaining units, the effect would be to restrict their span of decision making and power so that that span was narrower than the relevant market area. In that instance, competitive forces could work decisively to restrain and decrease union power. If there is any justification for the plaintiffs contention that unions should be so restricted, it is that union power should be reduced absolutely and vis-a-vis the employers with whom they bargain. Certainly, the concept of collective bargaining, properly understood, does not imply the reduction in union power and control which plaintiffs' position would effect. Indeed, as hereinabove discussed, it has been the reality of collective bargaining

in expanded product and labor markets which has produced the growth of unions which plaintiffs now seek to reverse.

7. Plaintiffs' contention that the "institutional" expenditures of unions can and should be separated from those which are related to collective bargaining is likewise without merit. Numerous activities, which appear to be "internal" to the organization and therefore remote from collective bargaining, powerfully affect the outcome of collective bargaining. Obvious examples of such activities are elections, conventions, and publications.

a. National unions tend to be large, pluralistic organizations in which substantive differences in economic priorities have to be hammered out among the members. Much of a union's institutionalism is necessitated by the process of arriving at a consensus on these economic priorities as a precondition of bargaining with employers. Some of the most difficult and time-consuming aspects of collective bargaining involve the reconciliation of different, often conflicting, views on economic priorities at various local levels of the union so that a bargaining strategy can be determined. The institutional ways of achieving this consensus include union elections, executive boards, journals, and conventions. Union elections and conventions provide a means for arriving at a consensus on all of the myriad issues which affect local and national bargaining strategies, and union journals provide a means of communication within the union both before and after consensus is reached. Therefore, expenditures on conventions, elections, and union publications are essential to the process of collective bargaining in a large labor union.

b. It is even easier to justify expenditures on strike benefits within the scope of collective bargaining. Bargaining implies the right to strike, and the effectiveness of a strike is directly related to the ability of the labor union and its members to remain on strike long enough to induce meaningful bargaining concessions from the employer. This ability is enhanced by a strike fund to support the members during the period of the strike, and the larger the fund the longer the members can remain on strike.

The strike fund of a national union is more effective than that of a local union because it can be concentrated in one particular year or against one particular employer in order to produce important strategic bargaining advantages. For example, if a national strike fund is

concentrated against a particular employer who is in a competitive relationship with other employers, the union will likely be able to prevail in its strike against that employer; and that success may have a "ripple" effect throughout the entire industry. Thus, the concentrated use of a national strike fund by one local union in its strike could be more effective than a strike by each local restricted to a proportional share of the national strike fund.

If plaintiffs are successful and a strike fund, if it can be collected from dues payments at all, must be restricted to the dues payments of a particular bargaining unit, the effect will be substantially to reduce the bargaining power on the union side. Employers, like Western Airlines, will know that neither the national union nor its locals have a central strike fund which can be concentrated, and that knowledge will affect every aspect of the bargaining relationship between BRAC and Western Airlines.

c. Dues expenditures on organization also play a central role in the collective bargaining process. This relationship is most obvious in situations where a union is seeking to organize unorganized elements within its relevant market area. If some employers within the relevant market are unorganized, they may pay substantially lower wages, be subject to fewer restrictions on the use of labor, and have substantially lower labor costs. That competitive advantage could well result in a loss of business or markets by the organized employers. Such a loss would inevitably be reflected at the bargaining table in reduced ability to pay wages and other benefits.

Organization is also a means of maintaining the size and the strength of national unions. Because the size of a union's membership and the financial resources in its strike fund affect the bargaining power of the union, organizational efforts aimed at expanding the size and financial strength of the union bear a direct relationship to bargaining strength. Furthermore, in the context of the instant lawsuit, it must be recognized that such organizational efforts will not impose any net cost to the union in dues money or other resources if the costs are ultimately offset by the increased dues that the newly-organized units provide to the union.

The relationship between bargaining strength and organization can be seen most clearly in the case of organizational efforts within a single industry. Taking the airline industry as an example, the airlines

have banded together to form a mutual aid pact to assist one another during strikes. If a union's organization did not extend beyond a single airline, or as plaintiffs would have it, beyond a single bargaining unit, its ability to strike any single employer would be marginal because that employer, with the aid of the others, could always withstand any strike that the smaller union could sustain. The union would need the ability to strike along a broad front supported by a massive strike fund in order to compete effectively with the combined strength of the airlines. Therefore, only an effective organizational program can provide a union with the membership and the financial strength necessary to bargain successfully against national employers who have pooled their resources.

d. Recreational expenditures by unions, of course, bear a much less direct relationship to collective bargaining. Nevertheless, the institutional strength of a labor union does depend on its morale and the degree to which its members are satisfied and feel a part of the organization. Recreational expenditures, such as refreshments at union meetings and social gatherings of union members and their families, might well contribute to the morale of a labor organization, and this morale might prove important in some future strike or organizational campaign.

In general, union expenditures on recreation are not unlike those of other large organizations. Large organizations can afford to expend sums on recreation and generally believe those expenditures bear fruit in the smooth functioning of the organization. The same is true of large labor unions. Of course, such expenditures can be abused if carried to excess, but the possibility of abuse does not justify a prohibition on the use of dues money for legitimate recreational activities.

e. Union death benefit funds are a product of the history of the American labor movement and have their roots in that history. Early in the labor movement, prior to the development of a legal environment conducive to collective bargaining when unions were not free to engage in collective bargaining, they operated primarily as mutual insurance societies. By joining together and contributing to a common insurance fund, workers were able to gain a measure of security against layoffs, deaths, and other catastrophics beyond their control. Union death benefit funds developed out of this mutual insurance concept. Later, death benefit funds also came to be viewed as a benefit which unions could offer to prospective members and therefore as an aid to organizational efforts.

With the enactment of social security and laws authorizing dues

checkoff and, most important, the development of a secure position for labor unions as collective bargaining agents, the necessity for death benefit funds as a protective device and as a bargaining aid declined. Nevertheless, death benefit funds do provide a desirable economic benefit to union members and, therefore, they do serve as an organizational aid and as a means of strengthening the union internally.

f. Finally, litigation expenses would seem to constitute an obvious and direct collective bargaining expenditure. Taking the instant lawsuit as an example, expenditures to defend against it are aimed directly at opposing an effort to fragment and weaken the union as a bargaining agent. To the extent that the lawsuit is successful in restricting the financial base of the union to expenditures for members on a unit-by-unit basis, the bargaining strength of the union in the airline and transportation industries will be correspondingly fragmented and weakened to the detriment of the union and its members. Therefore, expenditures to defend the lawsuit must be viewed as legitimate institutional and collective bargaining expenditures.

In the same way in which corporations can justify expenditures to defend against antitrust suits, labor unions can justify expenditures to defend lawsuits aimed at weakening them. The instant lawsuit provides the clearest example, although other litigation might pose a financial threat to the union which, if successful, might impair bargaining strength. For a labor union to further its objective of economic enhancement of its members through bargaining, it must defend itself against attacks in the courts which, if successful, would weaken the union financially, organizationally, or directly at the bargaining table.

To summarize my position, the union activities described above in paragraphs 6 and 7, which are supported financially by the local components of national unions such as those in the BRAC, do serve substantially to determine the bargaining strength and efficiency of those component organizations in their relations with their members' own employers. Indeed, national unions have acquired and developed their main functions and authority in response to the bargaining requirements of local units. The activities and functioning of national unions are not neutral with respect to the bargaining efficiency of local organizations, as plaintiffs assert and as they erroneously appear to infer from the industrial relations literature which they cite. On the contrary, to limit expenditures of component unions to those which directly finance meetings with the employers of their own members would severely impair their

bargaining strength and efficiency.

LLOYD ULMAN

Subscribed and sworn to before me
this 13th day of November, 1975.

Notary Public in and for Said
County and State

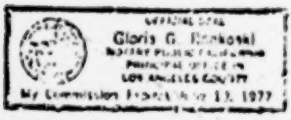


EXHIBIT "A"

LLOYD ULMAN

Basic Biographical Data

Date of Birth: April 22, 1920

Education and Degrees:

A.B. - Columbia College, 1940
A.M. - University of Wisconsin, 1941
Ph.D. - Harvard University, 1950

Military Service: U.S. Navy, 1942-1946

Positions Held

1950-1952: Assistant Professor, Economics and Industrial Relations, University of Minnesota
1952-1956: Associate Professor, Economics and Industrial Relations, University of Minnesota
1956-1958: Professor, Economics and Industrial Relations, University of Minnesota
1957-1958: Visiting Lecturer in Economics, Harvard University
1958- : Professor, Department of Economics, University of California, Berkeley
1961-1962: Senior Labor Economist, Council of Economic Advisers, Washington, D.C.
1963- : Director, Institute of Industrial Relations, University of California, Berkeley
1966-1967: Guggenheim Foundation Fellow and Visiting Member, London School of Economics
1973-1974: Visiting Fellow, All Souls College, Oxford University

Publications

Books and Monographs:

**The Rise of the National Trade Union* (Cambridge, Mass.: Harvard University Press, 1955), 639 pp. (Second Edition, 1966.)

**The Development of Trades and Labor Unions* (Ch. 13), and *Unionism and Collective Bargaining in the Modern Period* (Ch. 14),

in *American Economic History*, edited by Seymour E. Harris (New York: McGraw Hill, 1961), pp. 366-482.

The Government of the Steel Workers' Union (New York and London: Wiley 1962), 200 pp.

Wages and Labour Mobility (Paris: Organization for Economic Cooperation and Development, 1965), 258 pp. The following are co-authors: P. de Wolff (Netherlands), M. R. Deroo (Belgium), M. A. Liorzou (France), Frau S. Munke (Germany), C. E. Odhner (Sweden), H. Phelps Brown (United Kingdom), G. Saunders (Canada), C. Vannutcili (Italy).

Challenges to Collective Bargaining (Editor and Contributor) (Englewood Cliffs, N.J.: Prentice Hall, 1967), 180 pp.

Wage Restraint: A Study of Incomes Policies in Western Europe, with Robert J. Flanagan (Berkeley: University of California Press, 1971), 257 pp.

Manpower Programs in the Policy Mix (Editor) (Baltimore: The Johns Hopkins University Press, 1973), 165 pp.

*These studies were selected for inclusion in the White House Library collection, August 1963.

Articles

"Union Wage Policy and the Supply of Labor," *Quarterly Journal of Economics*, Vol. LXV, May 1951, pp. 237-251.

"The Growth of the National Union in the United States," *Proceedings of the 5th Annual Meeting of the Industrial Relations Research Association*, 1952, pp. 1-12.

"An Economic Appraisal of Collective Bargaining" (with John G. Turnbull), *Labor Law Journal*, Vol. 4, No. 2, February 1955, pp. 125-129.

"Union Growth and Structural Cycles: Discussion," *Proceedings of the 7th Annual Meeting of the Industrial Relations Research Association*, 1954, pp. 237-241.

"Marshall and Friedman on Union Strength," *Review of Economics and Statistics*, Vol. XXXVII, November 1955, pp. 384-401.

"Distribution of Incomes of Corporations Among Dividends, Retained Earnings, and Taxes: Discussion," *American Economic Review*, Vol. XLVI, May 1956, pp. 114-118.

"Labor Negotiations in 1958," *Business Scope*, Vol. 1, No. 19, February 1, 1958.

"The Union and Wages in Basic Steel: A Comment," *American Economic Review*, Vol. XLVIII, June 1958, pp. 422-423.

"Collective Bargaining and Inflation," *California Management Review*, Vol. 11, No. 3, Spring 1960, pp. 51-58.

"Secretary Goldberg and Low-Calorie Bargaining," *Scope*, April 4, 1961.

"American Trade Unionism -- Past and Present:" 1. The Development of Trades and Labor Unions; 2. Unionism and Collective Bargaining in the Modern Period. Institute of Industrial Relations, Reprint No. 157, 1961. (As printed in *American Economic History*.)

"Influence of the Economic Environment on the Structure of the Steel Workers' Union," *Proceedings of the 14th Annual Meeting of the Industrial Relations Research Association*, 1961, pp. 227-237.

"The Labor Policy of the Kennedy Administration," *Proceedings of the 15th Annual Meeting of the Industrial Relations Research Association*, 1962, pp. 248-262.

"Labor Mobility and the Industrial Wage Structure in the Postwar United States," *Quarterly Journal of Economics*, Vol. LXXIX, February 1965, pp. 73-97.

"The Union Movement and the Public Interest," *Proceedings of the 17th Annual Meeting of the Industrial Relations Research Association*, 1964, pp. 109-114.

"Discussion," in R. A. Gordon and Margaret S. Gordon, editors, *Prosperity and Unemployment* (New York: Wiley, 1966), pp. 314-323.

"Automation in Perspective," in John R. Coleman, editor, *The Changing American Economy* (New York: Basic Books, 1967), pp. 182-200.

"Under Severe Restraint: British Incomes Policy," *Industrial Relations*, Vol. 6, No. 3, May 1967.

"Wage Bargaining -- A Comparison of U.S. and British Systems," *The Times* (London), June 26, 1967, p. 9.

"Discussion," in C. M. Rhemus, editor, *Developments in American and Foreign Arbitration*, Proceedings of the 21st Annual Meeting of the National Academy of Arbitrators (Washington, D. C.: Bureau of National Affairs, Inc., 1963), pp. 36-41.

"Collective Bargaining and Industrial Efficiency," in Richard E. Caves, editor, *Britain's Economic Prospects* (Washington, D. C.: The Brookings Institution, 1968), pp. 324-380.

"Wage-Price Policies: Some Lessons from Abroad," *Industrial Relations*, May 1969.

"Discussion," in *Proceedings of the 22nd Annual Meeting of the Industrial Relations Research Association*, 1969, pp. 158-160.

"Inflation Policies and Collective Bargaining," *Monthly Labor Review*, August 1971, pp. 48-52.

"Inflation Policies and Collective Bargaining," in *Collective Bargaining Today: 1971* (Washington, D. C.: Bureau of National Affairs, Inc., 1972).

"Cost-Push and Some Policy Alternatives," *American Economic Review, Proceedings of the 84th Annual Meeting*, May 1972, pp. 242-250. (Translated into Japanese for publication in GENDAI KEIZAI, 1973).

"Labor Markets an Manpower Policies in Perspective," *Monthly Labor Review*, September 1972, pp. 22-28.

"Phase II in Context: Towards an Incomes Policy for Conservatives," in Walter Galenson, editor, *Incomes Policy: What Can We Learn from Europe?* (Ithaca: New York State School of Industrial and Labor Relations, Cornell University, 1973), pp. 80-103.

"Imperfect Labor Markets and Manpower Policy," in Seymour L. Wolfbein, editor, *Manpower Policy: Perspectives and Prospects* (Philadelphia: Temple University, School of Business Administration, 1973), pp. 193-207).

"The Uses and Limits of Manpower Policy," *The Public Interest* (Winter 1974), pp. 83-105.

"The Utilization of College-Trained Manpower in the United States," with V. Lane Rawlins, in Margaret S. Gordon, editor, *Higher Education and the Labor Market* (Carnegie Foundation for the Advancement of Teaching, 1974), pp. 195-235.

"Worker Discontent and Work Place Behavior," with Robert J. Flanagan and George Strauss, *Industrial Relations*, May 1974, pp. 101-123.

"Connective Bargaining and Competitive Bargaining," *Scottish Journal of Political Economy*, June 1974, pp. 97-109.

"The Rise of the International Union?" in Robert J. Flanagan and Arnold R. Weber, editors, *Bargaining without Boundaries - The Multinational Corporation* (Chicago and London: University of Chicago Press, 1974).

"Multinational Unionism: Incentives, Barriers, and Alternatives," *Industrial Relations*, February 1975.

Book Reviews:

American Labor Unions and Politics, 1900-1918 by Marc Karson. *Labor History*, Vol. 1, No. 1, Winter 1959, pp. 81-84.

Trade Unions in a Free Society by B. C. Roberts. *Economics*, May 1963.

Trade Union Growth, Structure and Policy by H. A. Turner. *Political Science Quarterly*, Vol. LXXIX, No. 1, March 1964, pp. 126-129.

Professional Activities

Membership in Societies:

American Economic Association
Industrial Relations Research Association
Phi Beta Kappa

Miscellaneous Professional Appointments and Activities:

1962, Member, U. S. Delegation to OECD Manpower and Social Affairs Committee, Paris, June 1962.

January 1963, member of Presidential Board of Inquiry under Section 206 of the Labor-Management Relations Act, concerning the dispute between the Boeing Company and the International Association of Machinists.

April 1963, U. S. Member of International Working Party of economists (under OECD) to consider problems of Wage Structures and Labour Mobility.

July 1963 - December 1968, Consultant, Council of Economic Advisers.

June 1964 - June 1965, member, Panel of Consultants to Research Committee of California Commission on Manpower, Automation, and Technology.

February 1966, Consultant to Federal Reserve Board, Washington, D. C.

March 1966, awarded Guggenheim Foundation Grant for academic year 1966-67. (Resigned SSRC Faculty Research Grant dated December 14, 1965.)

August 1967, member of the San Francisco Economic Development Committee.

October 1967, Member of 5-man advisory panel to the President's Review Committee on Federal Employee-Management Relations.

November 1967 - November 1970, Member of the Executive Board of the Industrial Relations Research Association.

1968 - 1973, Member of the Technical Advisory Committee to the Carnegie Commission on Higher Education.

June - July 1968, Member of OAS Mission on Labor Studies in Latin American Universities (Pan American Union).

1969 - 1971, Member of the Editorial Board of the *American Economic Review*.

July 1969, Member of the National Manpower Policy Task Force.

June 1970, Member of the National Manpower Advisory Committee.

September 1971, Member of the OECD Steering Group on Wage Determination.

1975, Member, Panel of Economic Consultants to the Secretary of the Treasury.

Public Lectures or Forums and Miscellaneous Appointments

Led seminar discussion on inflation, R. Rashen's group of executives, February 1959.

"Union Democracy and Wage Inflation," University Extension Program, Sonoma Mission Inn, February 12-13, 1959.

Participated in Round Table Panel on Unemployment, KPFA, May 6, 1959.

Moderator of address by J. R. Hoffa on campus on the subject, "The Affluent Society and the Alcatraz Set," May 20, 1959.

Testified before Joint Economic Committee, *Hearings on Employment, Growth and Price Levels*, Part 8, pp. 2556-2568, September 29, 1959.

Addressed and participated in union symposium, Labor and the Free Society, Santa Rosa, December 4-6, 1959.

"Is Industrial Warfare Inevitable?" Oakland Town Hall, January 11, 1960.

"The Economic Boundaries of Collective Bargaining," Labor Relations Conference, Sandia Corporation, Albuquerque, New Mexico, February 18, 1960.

"Market Power of Trade Unions," Faculty Seminar, Michigan State University, April 1960.

Participated in panel discussion on problems of the economy, KTVU, October 1960.

Participated in panel discussion on West Coast Longshore agreement on automation and work rules, KQED, "Profile Bay Area," December 1, 1960.

Public lecture on "Industrial Relations Problems and the Kennedy Administration," April 6, 1961.

Public lecture on "Strikes and Labor Management Policies," Business Administration Extension, June 8, 1961.

Radio program with Hon. Jeffery H. Cohelan, August 1962.

Participant in National Conference on Economic Policy, Washington, D. C., November 14-15, 1962.

Speaker at Union Symposium, Labor and the Free Society, Santa Rosa, December 8, 1962.

Presented paper on "Labor Policy of the Kennedy Administration" at Annual Meeting of the Industrial Relations Research Association, Pittsburgh, Pa., December 26, 1962.

Addressed meeting of the Commonwealth Club, San Francisco, on their economic report concerning the American economy's competitiveness with the USSR, January 17, 1963.

Participant in University-sponsored conference on The Metropolitan Future on Berkeley campus, September 27, 1963.

Speaker at Bureau of Employment Security Conference, Berkeley, on "Wage Structure and Labor Mobility in the U. S.," December 12, 1963.

Speaker at Labor and the Free Society conference, Santa Rosa, on "Tax Cuts and Unemployment," December 13-15, 1963.

Participant in panel on "How Does a Mixed Economy Function?" for the "Money in Motion" series on KRON-TV, San Francisco, February 16, 1964.

Participant in panel of the 9th Annual Business Administration Alumni Association Conference, San Francisco, April 24, 1964.

Workshop Chairman, Conference on Automation, sponsored by President's Labor-Management Advisory Committee, UCLA, June 4, 1964.

Dinner Chairman, Consumer Economics Conference, Berkeley, September 10, 1964.

Addressed Personnel Administration Seminar on the Automobile Settlement, October 14, 1964.

Discussant at Annual Meeting of the Industrial Relations Research Association, Chicago, December 28-30, 1964.

General Chairman, Conference on Poverty in America, Berkeley, February 27-28, 1965.

Participant in East Bay Civil Rights Conference, sponsored by Campus CORE, Berkeley, July 17, 1965.

General Chairman and Discussion Group Chairman, Governor's Conference on Employment, Monterey, Calif., September 30 - October 3, 1965.

Prepared paper on "Automation in Economic Perspective" for Voice of America Series on The Changing Economy, for radio broadcast and later publication. (Broadcast taped January 14, 1966.)

Prepared paper on "What is a Practicable Unemployment Goal for 1966?" for Federal Reserve Board. Delivered paper at conference of Consultants called by the Board in Washington, D. C., March 3, 1966.

Addressed seminar at New York School of Labor and Industrial Relations, Cornell University, Ithaca, March 4, 1966.

Participated in conference on Guidelines, Informal Controls, and the Market Place, sponsored by the University of Chicago School of Business, Chicago, April 27-29, 1966.

Speaker at and General Chairman of the Annual Industrial Relations Conference, San Francisco, May 17, 1966.

Participated in conference on Manpower Policy, sponsored by the Ford Unemployment Grant, New York, June 20-22, 1966.

Speaker in Executive Education Program, School of Business Administration, Berkeley, June 29, 1966.

Organizer and Chairman, American Assembly Conference on "Challenges to Collective Bargaining," Arden House, New York, October 27-30, 1966.

Participant in two conferences on The Labour Market and Inflation in Geneva, Switzerland, while on Guggenheim Fellowship, October 24-25, 1966, and June 12-13, 1967.

Public Lectures given while on Guggenheim Foundation Fellowship, 1966-67:

University of Sussex, Brighton, December 8, 1966.
University of Amsterdam, February 1, 1967.
University of Warwick, March 4, 1967.
University of Glasgow at St. Andrews, April 6, 1967.
London School of Economics, May 9, 1967.
Institutet for Arbetsmarknadsfragor, University of Stockholm, June 6, 1967.
British Institute of Management, London, June 21, 1967.

Participant in Conference on Incomes Policy, Ulricehamn, Sweden, August 17-18, 1967.

Participant in conference on the economy of the U. K. at the Brookings Institution, Washington, D. C., November 9-10, 1967.

Discussant of meeting of consultants to the Federal Reserve Board, November 28, 1967.

Speaker at Western Conference of Teamsters meeting, Phoenix, Ariz., January 22-24, 1968.

Discussant at National Academy of Arbitrators Conference, Cleveland, Ohio, February 1, 1968.

Addressed Industrial Relations group at Kaiser Industries, March 6, 1968.

Chairman and speaker at Conference on Collective Negotiations with Non-Certificated Personnel, sponsored by IIR, San Francisco, May 14, 1968.

Chairman and speaker at IIR Annual Conference on The Changing Environment of Collective Bargaining, San Francisco, May 28, 1968.

Chairman, IIR Annual Conference on "Industrial Relations and the Urban Crisis," San Francisco, May 28, 1969.

Appointed member of the Academic Senate Special Committee to Study the Recommendations of the California Constitution Revision Commission that Relate to Article IX of the State Constitution, 1969.

Appointed member of the Special Advisory Committee to the Chancellor on the chairmanship of the Ethnic Studies Department, 1969.

General Chairman, IIR and School of Business Administration conference on "The Minority Community and the Economic Mainstream," San Francisco, June 19, 1969.

Appointed member of the Academic Senate Committee on Senate Policy, August 1, 1969. Served as Chairman of the Committee for 1970-71.

Chairman, Annual Industrial Relations Conference on "Rising Expectations and Lagging Opportunities: Critical Issues in Industrial Relations," San Francisco, May 27, 1970.

Chairman, Conference on the Interrelationships Between Manpower Policy and Macro-economic Policy, sponsored by the National Manpower Policy Task Force, March 19, 1971.

Presented paper on "Inflation Policies and Collective Bargaining" at The Third Annual Collective Bargaining Forum, Automation House, New York City, May 24-26, 1971.

Addressed Section on Business Economics, Commonwealth Club of California, on "Cost-Push Inflation and Policy Prescriptions," August 10, 1971.

Testified before the Joint Economic Committee on the Wage-Price Freeze, Washington, D. C., September 14, 1971.

Addressed Alumni Association of the U.C. School of Business Administration on wage and price control, San Francisco, October 12, 1971.

Chairman, Conference on "Phase I to Phase II: The New Economic Policy in Transition," sponsored by the Institute of Industrial Relations, San Francisco, November 23, 1971.

Presented paper on "Cost-Push and Some Policy Alternatives" at a joint session of the Industrial Relations Research Association and the American Economic Association annual meetings in New Orleans, December 27-30, 1971.

Appointed Chairman of Senate Policy Subcommittee on Possible Faculty Collective Action, January 1972.

Presented paper on "Phase II in Context: Towards an Incomes Policy for Conservatives" at Pierce Memorial Lectures, N. Y. State School of Industrial and Labor Relations, Cornell University, April 20, 1972.

Participated in the California Department of Finance Economic Outlook Conference, April 25, 1972.

Appointed member of Interim Executive Board of the Faculty Association, July 1972.

Chairman, Conference on Manpower sponsored by U.C. Extension and School of Environmental Design, U.C. campus, August 3, 1972.

Participated in NSF Summer Urban Economics Institute, Stanford University, August 14, 1972.

Chairman, conference on Labor Arbitration, sponsored by Institute of Industrial Relations, San Francisco, October 18, 1973.

Chairman, conference on Jobs and the Environment: Who's Jobs, Who's Environment? sponsored by Institute of Industrial Relations, San Francisco, November 28, 1973.

Presented paper on "The Rise of the International Union?" at conference on Industrial Relations and the Multinational Corporation, sponsored by Graduate School of Busienss, University of Chicago, at Johnson Foundation, Racine, Wisconsin, April 30 - May 2, 1973.

Chairman, Symposium on Revision of California's Public Employee Bargaining Laws, sponsored by Institute of Industrial Relations, San Francisco, May 24-25, 1973.

Luncheon Chairman, conference on "Is The Strike Outmoded?" sponsored by Institute of Collective Bargaining and Group Relations, Inc., Fifth Annual Collective Bargaining Forum, San Francisco, June 7-8, 1973.

AFFIDAVIT OF SERVICE BY MAIL

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I, the undersigned, being first duly sworn, depose and say:

I am and was at all times herein mentioned, a citizen of the United States and employed in the County of Los Angeles, over the age of eighteen years and not a party to the within action or proceeding; that my business address is 5900 Wilshire Boulevard, Suite 2600, Los Angeles, California 90036.

On November 17, 1975, I served the within AFFIDAVIT OF LLOYD ULMAN IN OPPOSITION TO MOTION FOR SUMMARY JUDGMENT on the plaintiffs in said action, by placing true copies thereof enclosed in sealed envelopes with postage thereon fully prepaid, in the United States mail at 5900 Wilshire Boulevard, Los Angeles, California 90036, addressed as follows:

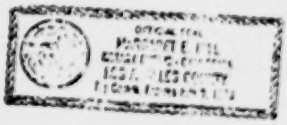
Michael E. Merrill, Esq.
Raymond J. LaJeunesse, Jr., Esq.
The National Right to Work Legal
Defense Foundation, Inc.
8316 Arlington Boulevard, Suite 600
Fairfax, Virginia 22030

Jonathan C. Gibson, Esq.
Gibson & Kennerson
1212 Home Tower
707 Broadway
San Diego, California 92101

John L. Kilcullen, Esq.
Webster & Kilcullen
1747 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

Gloria Renkowski
Gloria Renkowski

Subscribed and sworn to before me
this 17th day of November, 1975.



Notary Public in and for Said
County and State

signature